

PEOPLE

ist Scrying to Play
Missing Concern

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the lost score of Be-
Violin Concerto in a
library, is preparing
first performance in
in Atlanta Thursday.
9, said he found the
go but saved its debut
Symphony Orchestra
ude for the kindness
a when he fell ill while
ng in Atlanta in De-
The concerto, inspired
s friend Marcel Mouton,
26, 1928, in Paris and
he virtuoso Gabriel Bon-
later taught Scrying
concerto disappeared
d War II, resurfaced in
the death in 1947 of the
r, who was chief music
he Paris newspaper Le
he vanished again by the
Scrying said. Last week
Scrying changed upon a
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I with his French nation-
all library in the old
seas, where Hahn was
born.

he week's Moscow News
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Soviet magazine Novy
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chosen for Brodsky's
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Michael Grade, 44, tele-
gram director for the
roadcasting Corp., said
was resigning to become
sive of the rival indepen-
levision's Channel 4.

The Chrysler Chairman
has signed a contract to
other book a spokesman
ntam Books says. The
ose 1982 best-seller, "The
Autobiography," said
in copies in the United
States, has yet to begin
work. "It will not be the
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id, "but it will be ac-
cluding personal history
right talk about various
his mind and on the mind-
sader."

LOW COST FLIGHTS

ACCESS VOYAGE

DRY WAY

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ONEY

BACK NEW TO SHINE WITH

A PHOTO COMBO BY DANCE

CHRISTMAS GIFTS

EVERY SATURDAY

CHRISTMAS GIFT

PAGE 15

FOR MORE

CLASSIFIEDS

INTERNATIONAL

ASSIFIEDS

In the

Cribune

the Back Page

International Secretariat

ys and on Thursday too, in-
ness Message Center

slides and Travel

International Educational

Market

our Inside Pages

de Entertainment, Madon

ys and Frays

4, Wednesday

onair Business Opportu-

ays

not Posters, Thursdays

not Rec Estate Market

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not Art Exhibitions, Auction

Guides, International Edu-

Saturday

NATIONAL CLASSIFIEDS

In the

NATIONAL HERALD TRIBUNE

the way's most important

world's most important

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Iran Report: Cracks In a Protective Wall

By Haynes Johnson
Washington Post Service
WASHINGTON — When the nationally televised Iran-contra hearings ended last August, what the former national security adviser, Vice Admiral John M. Poin- dexter, called a protective "wall around the president" had with- stood months of inquiries and re- velations.

The majority report of the congressional investigating com- mittee, issued Wednesday, jumped over that wall. The report con- tained only a few factual surprises and it leaves many critical aspects of the affair unresolved. But it un- ambiguously affixes historical re- sponsibility for the Iran-contra af- fair on Ronald Reagan.

It does so in terms that come just short of suggesting the president had committed potentially im- peachable offenses by failing to fol- low his constitutional charge to "take care that the laws be faith- fully executed."

The essence of the majority re- port was that Mr. Reagan, as the nation's chief executive and prin- cipal law officer, could not escape responsibility for actions of his subordinates because of ignorance of their actions or the climate of secrecy that flourished in his ad- ministration.

He had a responsibility, the re- port says, "to leave the members of his administration in no doubt that the rule of law governs." But he failed to do that, it says.

It was the president who set the tone that led aides to believe they were carrying out his policies and it is the president who must accept responsibility for failing to let them know he disapproved of their ac- tions after the nation learned that several of them had "fled, shredded documents and covered up their

actions." Instead, the president "has yet to condemn their conduct." The report makes harsh judg- ments. Short of the presidential im- peachment process itself, an event that has occurred only twice in American history, seldom if ever has a president of the United States been criticized so severely and di- rectly by a select panel of both houses of Congress.

Seldom has a president been so blamed for creating, or tolerating, what the committee found was a pervasive atmosphere in which members of his administration re- spectedly lied to other high govern- ment officials and deceived Con- gress and the American people.

The power of the majority report See REPORT, Page 2

The White House declined to re- call the Iran-contra report, calling it partisan. Page 3.

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Criticism Increases Over Fire

Misjudgment Cited in London In Tube Blaze

By Warren Geller
International Herald Tribune
LONDON — The presence of fire hazards in the Underground rail system and misjudgment by the authorities were being criticized Thursday as an investigation started into the cause of a fire Wednes- day in an Underground station that killed 30 people.

The fire, which engulfed the top floors of London's busiest Under- ground station, King's Cross, in- jured dozens of people. Medical officials said there could be more deaths among those hospitalized with severe burns.

Trevor Jones, a spokesman for Scotland Yard said Thursday. "From our viewpoint, terrorism has definitely been ruled out."

Paul Channon, the British Transportation Secretary, ordered an investigation. An official with the British Transport Police said his office could not exclude arson as a possibility until the investiga- tion has been completed.

Survivors criticized London transportation officials on duty at King's Cross on Wednesday for not responding quickly enough to the dangers of a fire said to be clearly out of control.

Richard Silver, a London com- muter who escaped unharmed, said late Wednesday. "People were al- lowed to go down into the smoke. We could smell burning and see the flames, but people were still mov- ing down escalators which had been stopped."

"Two London Transport police were at the top of the escalator," he said, "and passengers were still al- lowed to go down."

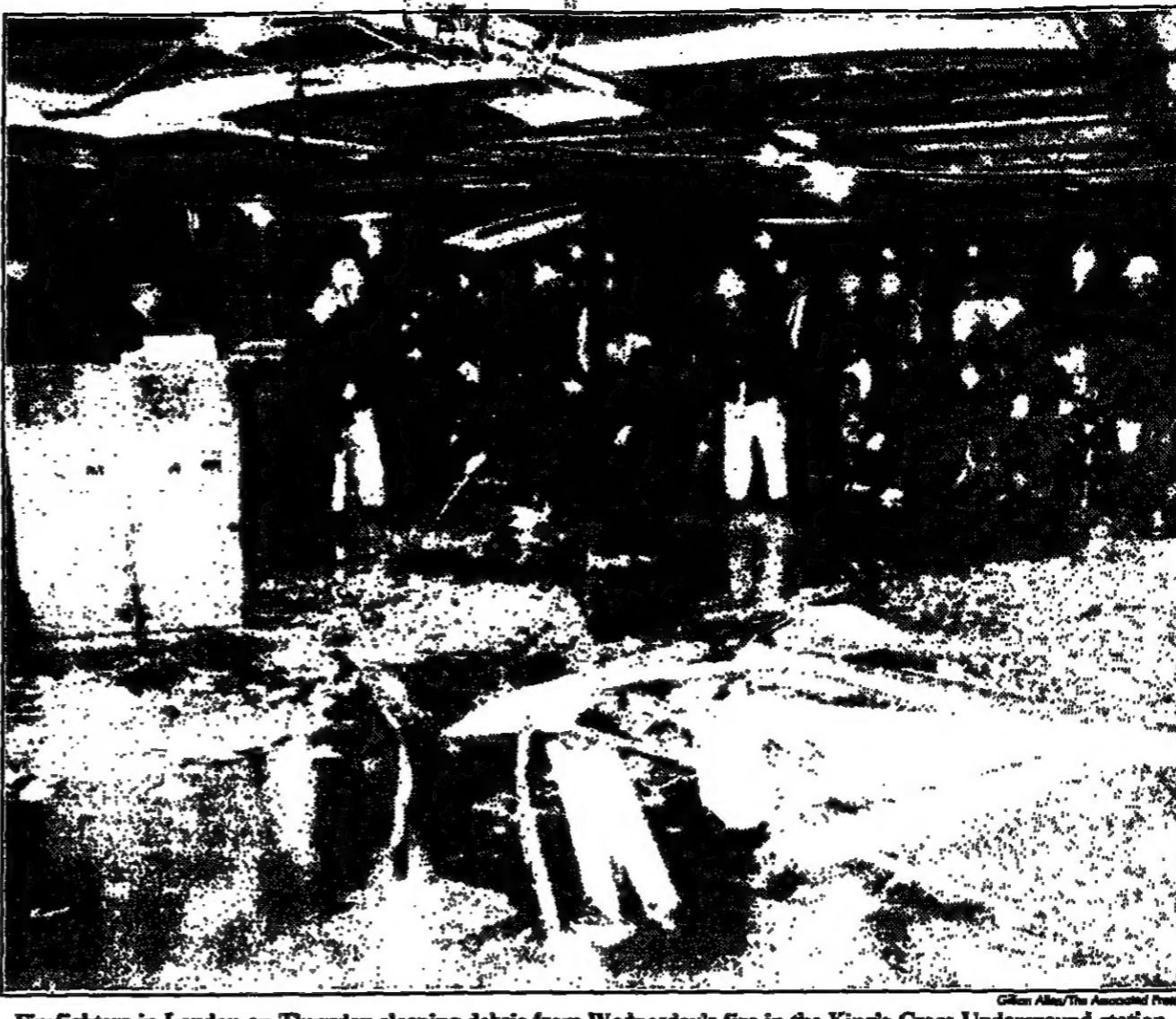
The fire and the high death toll provoked an outcry from public- safety lobby groups that have long argued that a major fire in the sys- tem, known as the Tube, was pos- sible.

Most of victims died huddled in the main ticket hall, apparently overcome by a wave of a noxious smoke and intense heat coming from the area near the burning es- calator a level below.

The ticket hall was gutted, with cracked concrete slabs indicating See FIRE, Page 2

After five months of street de- monstrations and general strikes in Panama, General Noriega's mili- tary regime and its civilian political opposition appear to be hardening their positions and preparing for what both sides expect to be a long and bitter struggle.

In recent years, General Noriega has come under investigation by two U.S. grand juries for his report- ed role in drug trafficking and money laundering. Intelligence of- See PANAMA, Page 2



Firefighters in London on Thursday cleaning debris from Wednesday's fire in the King's Cross Underground station.

Moscow to Let U.S. Inspect Missile Plant

By R. Jeffrey Smith and Don Oberdorfer
Washington Post Service

WASHINGTON — The Soviet Union has agreed to allow American on-site inspection of the Soviet plant where SS-25 strategic missiles are made, according to U.S. officials.

The concession is an important step toward final agreement on the nuclear-weapons treaty to be signed here next month by President Ronald Reagan and the Soviet leader, Mikhail G. Gorbachev.

The progress on the SS-25 issue was one of several advances achieved during talks in Geneva on Monday and Tuesday. The talks were led by the chief U.S. arms negotiator, Max M. Kampelman, and his Soviet counterpart, Yuli M. Vorontsov, the officials said.

The proposed inspection, called perimeter portal monitoring, is the most intrusive ever considered by U.S.-Soviet negotiators. It would involve stationing U.S. personnel and devices at a gate, or portal, through which newly manufac- tured Soviet missiles must pass.

The perimeter of the plant would also be monitored continuously. Other important strides, the sources said, included:

• Tentative agreement on lan- guage that would prevent either country from circumventing the proposed Intermediate Nuclear Forces, or INF, treaty, which bans medium-range and shorter-range nuclear missiles.

Moscow had insisted on broad language that U.S. negotiators ar- gued, might impede existing U.S. agreements to provide nuclear weapons to allies. U.S. negotiators also feared that the Soviet ap- proach would constrain deploy-

ment of new U.S. nuclear weapons not covered by the treaty. The United States, in contrast, favored language that would protect its alliance agreements and its options.

• Soviet withdrawal of a demand that the INF treaty call for immedi- ate follow-up talks, which could be aimed at reducing battlefield nuclear weapons and possibly nuclear- armed aircraft in Europe. Washing- ton has opposed such immediate talks on the ground they would result in a drive toward "denuclear- ization" of Western Europe.

The SS-25 issue arose because the missile's first stage resembles the SS-20 rocket, which is to be banned under the INF accord. U.S. negotiators argued that monitoring the SS-25 plant was necessary to verify that SS-20s were not being manufactured there in violation of the agreement.

Many U.S. officials said they did

not expect a Soviet attempt to evade the treaty by making SS-20s in the SS-25 plant, since the long- range SS-25 is a more powerful and effective weapon. But the officials were eager to neutralize criticism from conservatives in Congress that the SS-25 facility represented a treaty "loophole" and thus was a reason to oppose Senate ratifica- tion of the pact.

Moscow has insisted that in re- turn for such extraordinary scrutiny of the SS-25, which itself is not covered by the treaty, the United States must permit Soviet monitoring of a facility of "comparable value" in the United States.

Sources said the two sides had not agreed on which U.S. facility to monitor. But the sources expressed confidence that this part of the ar- rangement would be settled soon.

The State Department spokes- man, Charles E. Redman, speaking several hours before Mr. Kampelman returned to Washington from the Geneva discussions on Wednesday, said the negotiators "did resolve a number of outstanding issues, but there are some that remain."

Other officials indicated that the two sides had not agreed, for ex- ample, on quick access to sites in Europe where treaty violations are suspected.

■ Geneva Meeting Set

Secretary of State George P. Shultz will meet the Soviet foreign minister, Eduard A. Shevardnadze, in Geneva next week to complete planning for the summit meeting in December, U.S. officials said Thursday, according to a Reuters dispatch from Washington.

The two ministers, who have met three times in the past two months, are expected to discuss strategic weapons, human rights, regional is- sues and details of the INF treaty.

Even if the negotiators reach an agreement, the House or Senate might reject it. Liberals have complained that more military cuts are needed, while conservatives want more reductions in domestic pro- grams and lower taxes. (AP, UPI, Reuters)

■ Indiscriminate Cuts
Clyde H. Farnsworth of The New York Times reported earlier: If the negotiators fail to meet the Friday deadline, the automatic spending cuts scheduled to take effect will indiscriminately affect al- most everything from AIDS re- search and the anti-missile program to the number of weather forecasters.

The automatically imposed \$23 billion saving under the deficit-re- See BUDGET, Page 2

Some labor officials say that out- right support of Liberal Democrats is not out of the question anymore, a concession that reflects belated acceptance of reality. Even though many leaders of the unions are hos- tile to the ruling party, a growing number of their members are not.

The new organization is called the Japanese Private Sector Trade Union Confederation, known in Japanese shorthand as Rengo. As the name suggests, it is dominated by workers from private industry, but public employees are expected to join en masse in three years.

Rengo will begin with 5.6 million members, most of them from two major federations of private-sector employees — Domei, which dis- banded Thursday, and Churitsu Roren, which dissolved last month. In addition, the new group has at- tracted 1.8 million private-industry workers who belong to a labor or- ganization that is now the biggest.

See UNIONS, Page 2

Japan's Labor Movement To Set Up 'Super Union'

By Clyde Haberman
New York Times Service

TOKYO — Japan's labor move- ment, beleaguered by shrinking mem- bership and dwindling influence, is about to take a bold, last-gasp step to end years of steady decline.

On Friday, major labor groups will coalesce into a new "super union," a giant federation that or- ganizations hope will command polit- ical and economic authority similar to that wielded by the AFL-CIO in the United States.

To Akira Yamagishi, one of the country's most important union of- ficials, Japanese labor has reached a crossroad. "There is no question that we're not strong at the mo- ment," said Mr. Yamagishi, who heads a 280,000-member union representing telecommunications workers. "If we do not unify, our economic and political influence will continue to decline."

The new federation intends to follow a more moderate political path than the leftward bent of many existing labor groups, espe- cially those representing public em- ployees.

It will talk more than before about quality-of-life issues like wel- fare benefits, length of the work- week and even high land prices. Until now, union leaders have tended to focus on wage increases, although not with conspicuous suc- cess in recent years.

In terms of practical politics, these leaders hope to use their in-

Y.K. Nazarkin, right, the Soviet negotiator in talks on chemical arms, with Max Friedersdorf, his U.S. counter-

part, before a visit to a chemical arms depot in Utah. Soviet aides are observing the dismantling of some weapons.

See REPORT, Page 2

See REPORT, Page 2

See REPORT, Page 2

See REPORT, Page 2

See REPORT, Page 2

See REPORT, Page 2

See REPORT, Page 2

See REPORT, Page 2

See REPORT, Page 2

See REPORT, Page 2

See REPORT, Page 2

See REPORT, Page 2

See REPORT, Page 2

See REPORT, Page 2

See REPORT, Page 2

marked largely with ambivalence and a sense of disappointment in both capitals.

Egypt, overpopulated, underdeveloped and broke, has other things on its mind. There was no celebration in Cairo, many of whose people quickly soured on Sadat and his dream and greeted his assassination in 1981 with indifference.

Following the Arab League meeting last week in Amman, Jordan, nine Arab states have restored the diplomatic relations with Egypt that they severed when the 1979 peace treaty was signed; Egyptian officials appear in no mood to jeopardize these gains by calling attention to their ties with Israel.

The mood in Jerusalem is more nostalgic but also bitter-sweet. Like Mr. Eban, many Israelis look upon the Sadat visit as a magic moment, yet wonder how it happened that all the good will and hopes it embodied seem to have dissipated.

In a series of peace symposiums and other events marking the anniversary this week, there has been a measure of despair, an un- spoken but lingering fear that the elusive peace process, which seemed alive and well when Sadat electrified Israel, is not just dormant but dead.

Two stark facts about the peace between Israel and Egypt loom above all others, analysts say: that despite tensions and times of doubt — Sadat's death and the Israeli inva-

tion of Lebanon were two such moments — it has held for nearly a decade; and that it remains a separate peace, one that no other Arab state has been willing or able to join.

"The Egyptians always believed that by reaching peace with us they would establish a bridge for a comprehensive peace with the other Arab countries," says Avraham Tamir, director-general of the Israeli Foreign Minis- try, who, as an army general, headed the Israeli military delegation to the Camp David talks.

"The peace is solid," he said, "but I ask myself what kind of future we might face if we remain in the status quo. We have to admit, the situation has got the potential for deterioration."

Doves like Mr. Tamir contend the time is ripe for movement. The main Arab states say they are no longer looking to drive the Israelis into the sea. The Gulf War has put the Arab-Israeli dispute into its proper perspective as a secondary conflict that needs to be put aside and resolved.

Arab moderates such as Hosni Mubarak, who was Sadat's successor, and King Hussein of Jordan are said to be in a strong position to push into line such recalcitrant actors as the leader of the Palestine Liberation Organi- zation, Yasser Arafat.

But the doves complain that Israel's divid- See SADAT, Page 2

Sadat in Israel: 10 Years and Long Ago

By Glenn Frankel
Washington Post Service

JERUSALEM — The flight from the Abu Suwayr airfield to Ben-Gurion airport took less than 40 minutes. Anwar Sadat would recall in his autobiography. And yet the gap his presidential jet crossed that chilly Novem- ber night was four wars wide and filled with suspicion, bitterness and hatred.

In one bold existential stroke, the Egyptian leader vaulted the abyss and changed forever the political, diplomatic and psychological landscape of the Middle East. Within 16 months of his journey to Jerusalem, Sadat and Prime Minister Menachem Begin of Israel, urged on by a determined Jimmy Carter, concluded a treaty that officially ended a 31-year state of war and gave the Jewish state the security that peace and diplomatic recogni- tion from its largest neighbor and former enemy could bestow.

"It was the turning point," said Abba Eban, a former Israeli foreign minister. After three decades of total isolation from his Arab neighbors, Mr. Eban said, "Israel suddenly underwent a total transformation. At last the windows were opened and the air came rush- ing in."

Thursday was the 10th anniversary of the Sadat visit, one of those rare moments in history when time stood still. Yet, it was

marked largely with ambivalence and a sense of disappointment in both capitals.

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But the doves complain that Israel's divid-

After Impasse in Tokyo, U.S. Commerce Chief May Call for Sanctions

Compiled by Our Staff From Dispatches

TOKYO — The U.S. secretary of commerce, C. William Verity, will return to Washington dissatisfied and may press for retaliation after trade talks on Thursday with Prime Minister Noboru Takeshita and leading Japanese cabinet members, a spokeswoman said.

Friction was said to have surfaced in a meeting with Foreign Minister Sosuke Uno, who said that Japan would not open its public construction projects equally to U.S. companies, a stance that Mr. Verity has termed "unacceptable."

Mr. Verity told Mr. Takeshita that some Japanese trading practices were wrecking industries abroad, and he urged Tokyo to assume greater responsibility for world leadership, according to his spokeswoman, Denise Tucker.

She said Mr. Verity had told the prime minister that Japan must refrain from a "tendency to organize researchers to go after a key market by using government, industry and the banking system together to create an absolute domination of a foreign domestic market."

She said Mr. Verity had stressed that Japan should assume more responsibility and work with the United States "toward mutual leadership in the world."

Mr. Takeshita did not respond to any specific trade issues but said, "Free trade brings Japan great profit; therefore, we would like to maintain a free trade system with the United States," the Foreign Ministry said.

He promised to continue the Japanese focus on increasing domestic demand to help reduce its dependence on export markets and high trade surplus.

In meetings with Japanese government and business leaders, Mr. Verity also expressed "concern that Japanese people and the government in particular have lost credibility," Ms. Tucker said.

"The perception now is that the Japanese government says it will open up a particular market segment and then delays and delays without taking action," she quoted Mr. Verity as saying.

Mr. Verity visited Japan at a time of renewed tension in U.S.-Japan trade relations following the U.S. Commerce Department's ruling that Japanese companies are selling color television sets in the United States below fair market value.

Last year, the U.S. deficit in trade with Japan reached a record \$58.6 billion, according to U.S. figures. Mr. Verity has called Japan's trade surplus with the United States "unsustainable."

On Tuesday, he said in Washington that Japan risked imposition of retaliatory duties for failing to price its products in line with the yen's rise against the dollar.

Ms. Tucker described Wednesday's meetings as "positive and constructive."

But Yoshihumi Matsuda, the Foreign Ministry's senior spokes-

man, said after Mr. Verity's meeting with Mr. Uno that "We tried to submit our thoughts and policies." He added, speaking of the United States, "They are not persuaded; they are not satisfied. Certainly they don't give up."

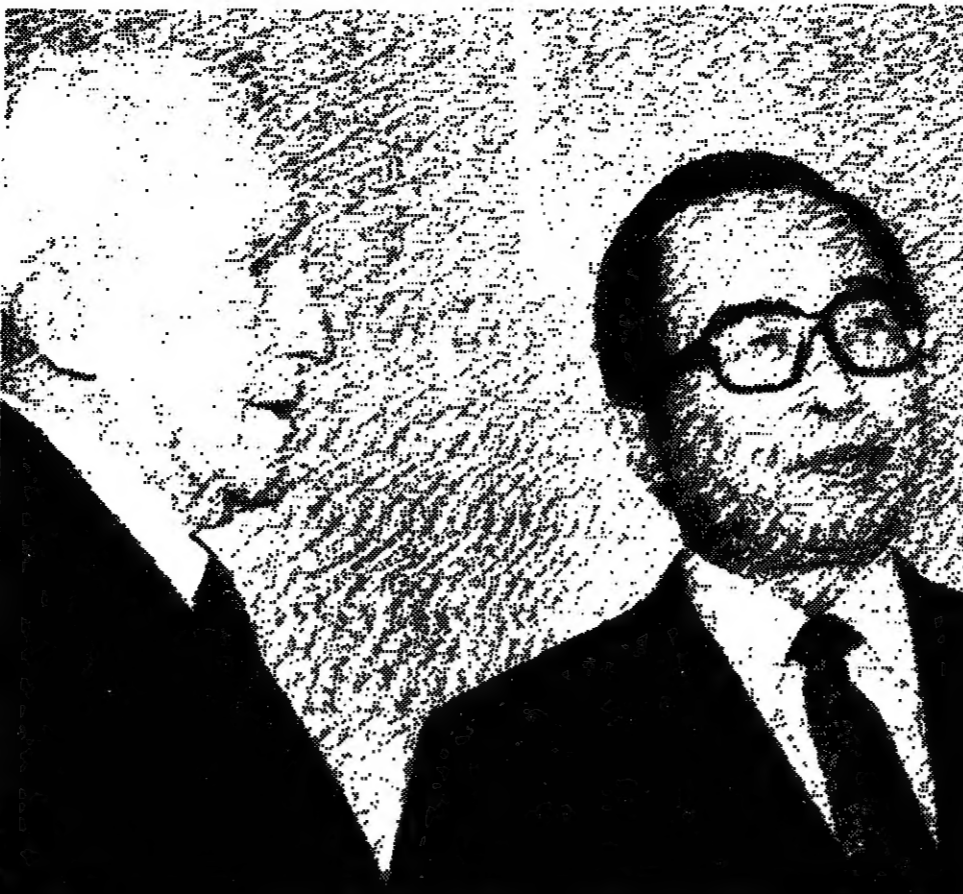
One sticking point, Mr. Matsuda said, was the U.S. demand that U.S. firms be accorded equal footing in bidding on contracts for Japanese public works projects.

According to Mr. Matsuda, Mr. Uno replied that "we cannot treat these public works in the same manner as we offered for the private businesses."

The construction business involves "not only mechanical construction," Mr. Matsuda added, but also "some labor problems, particularly immigration or desirability or related matters of foreign laborers, or many other social implications."

Mr. Verity was not happy with the Japanese refusal to budge on the issue and will discuss retaliatory steps when he returns to Washington, Ms. Tucker said.

(UPI, AP)



The U.S. commerce secretary, C. William Verity, and Foreign Minister Sosuke Uno at a meeting Thursday in Japan that yielded no concession on a major U.S. trade demand.

Memo Assails Israel on Jewish Terrorists

By Mary Thornton and Howard Kurtz
Washington Post Service

WASHINGTON — The Israeli government has failed to cooperate with a U.S. investigation of Jewish Defense League members and associates suspected in bombings and terrorist incidents in the United States, according to a Federal Bureau of Investigation memo.

The memo, sent earlier this year by an assistant FBI director, Floyd I. Clarke, to an executive assistant director, Oliver B. Revell, said several main suspects in the investigation had fled to Israel, where they have sought asylum in Kiryat Arba, a Jewish settlement in the Israeli-

occupied West Bank. It describes Kiryat Arba as a "haven for right-wing Jewish extremist elements."

The memo was disclosed in The Village Voice, a weekly newspaper in New York.

"Numerous leads have been forwarded through FBI to the Israeli secret intelligence service in Washington, D.C. Response to these leads is crucial for the solution of the 25 terrorist incidents and other criminal activity perpetrated by the JDL," the memo said.

It said the FBI had requested "telephone subscriber information, criminal background information, arrest records, prison contacts, associates, residence status and travel documents."

"The Terrorism Section has had numerous meetings," the memo continued, with Israeli representatives in Washington, "during which our concerns relative to their handling of our requests were raised. Although these discussions have sometimes resulted in a temporary flurry of activity on their part, no sustained improvement in the flow of information has been realized."

Yossi Gal, a spokesman for the Israeli Embassy, said he had no immediate comment.

The FBI refused to comment on the memo, saying that bureau relationships with foreign intelligence services "must be maintained in a confidential manner."

Federal sources said the FBI have been hampered in the Jewish Defense League case because many suspects have U.S.-Israeli citizenship, allowing them to travel at will between the two countries, sometimes using their Hebrew names.

Gregory O'Connell, an assistant U.S. attorney in Brooklyn working on the investigation, said that "targets of our investigation have traveled to and from Israel."

He declined to say whether investigators believed they were still in Israel.

Mr. O'Connell said his office and a Justice Department terrorism task force were conducting "an active investigation" of whether defense league members were involved in an explosion in Santa Ana, California, that killed Alexander Odeh, a regional director of the Arab American Anti-Discrimination Committee, in 1985. He said two other 1985 bombings also are being investigated, as well as earlier unsolved terrorist bombings.

Federal sources said that many of the suspects had been tied to Rabbi Meir Kahane, who founded the Jewish Defense League in 1968 in Brooklyn.

The suspects are believed to be involved not only with the Jewish Defense League, as current or former members, but also with Rabbi Kahane's violently anti-Arab Kach Party.

UN Mutes Criticism of Israel's Pretoria Ties

New York Times Service

UNITED NATIONS, New York — A resolution criticizing Israel's links with South Africa has been presented in a form sharply toned down from versions approved in previous years.

At the same time, an official United Nations report issued Wednesday accuses Saudi Arabia and the United Arab Emirates for the first time of selling oil to South Africa. The report supports asser-

tions made by Israel last year in opposing the resolution condemning its own links with Pretoria.

The new resolution, to be voted on Friday, was presented Monday by a group that includes such consistent critics of Israel as Algeria, the Soviet Union, Libya and East Germany.

In simple, unemotional language, the resolution notes the restrictions Israel recently intro-

duced on trade and investment with South Africa and calls on Israel to sever all cooperation with Pretoria on military, intelligence, nuclear and economic matters.

Israeli officials said they would still seek to rally allies against the resolution because they opposed the whole idea of the United Nations debating Israel's relations with South Africa but not those of any other member nation.

SADAT: Egypt and Israel Now Are Ambivalent on the Trip to Jerusalem

(Continued from Page 1)

of coalition government is too weak to move and is squandering an opportunity that may not come again.

His refusal to endorse the idea of an international peace conference, which Hussein, Mr. Mubarak and Ronald Reagan all support, symbolizes its paralysis, they contend. They also chide the Reagan administration for Washington's inaction, a marked contrast to the muscular, aggressive optimism of the Carter years.

"There is a peace orbiting around the Middle East waiting for a leader to steer it the right way," says Ezer Weizman, then Mr. Begin's hawkish defense minister and now a spokesman for the dovish left. "We need a leader to grab the situation and move forward."

Others contend it is conditions, not leaders, that are the intractable core of the problem. Sadat came to Jerusalem knowing that the basic formula he espoused — a peace accord in return for all the Egyptian lands Israel had captured in 1967 — was acceptable to Mr. Begin and the vast majority of Israel-

is. The Sinai Peninsula was a strategic asset to Israel but not an integral part of its territory or heritage. It could be returned for the right price — a genuine peace.

But the remaining occupied lands — the West Bank, Gaza Strip and East Jerusalem — are another matter. Virtually all Israelis believe Jerusalem should remain under the Israeli sovereignty. Polls indicate that 60 percent or more feel the same way about the West Bank. Few would risk returning to Israel's precarious 1967 borders.

Although Israel now recalls Sadat's visit as the bold stroke it was long for, Mr. Weizman recalled that, at the time, Israelis did not trust the Egyptian leader and were wary of his motives.

Even after Israel realized Sadat was not fooling, it took months of negotiations, including Mr. Carter's repeated personal intervention, to forge an agreement. The main sticking point was the fate of the Palestinians, which was left ambiguous in a final accord that called for a self-governing authority to be established in the occupied territo-

ries and a five-year transition period while the "final status" of the area was to be negotiated.

In the end, according to Elihu Ben-Eliezer, a senior aide to Mr. Begin and later the first Israeli ambassador to Egypt, each side willfully misconstrued what the other had agreed to. Sadat believed that the transitional period was to lead to a Palestinian state perhaps confederated locally with Jordan. Mr. Begin insisted that political "autonomy" was the final goal — Israel would govern the land and the Jews living there, while the Palestinians could govern themselves.

Each side has its ledger of betrayals and disappointments. Sadat angrily suspended the autonomy talks in May 1980, citing Israeli intransigence, and the talks have never been resumed. He was furious when Mr. Begin ordered the bombing of an Israeli nuclear reactor only three days after their 1981 summit meeting.

Mr. Mubarak reacted similarly to the 1982 invasion of Lebanon, which took place just weeks after the return of the Sinai was completed. The invasion seemed to support

those Arab critics who had warned that by making a separate peace, Egypt was freeing Israel to wage war on other fronts with impunity.

For their part, the Israelis were deeply angered when Mr. Mubarak, reacting to the massacre of Palestinian refugees in Beirut by Christian militiamen allied with Israel, withdrew the Egyptian ambassador to Tel Aviv. He was only returned in September 1986. Mr. Mubarak's seemingly indifferent reaction to the slaying of seven Israeli tourists by a crazed Egyptian policeman on the beach at Ras Duda in the Sinai in October 1985 also appalled many Israelis.

But most of all, they have been disappointed by what they see as Egypt's refusal to honor the treaty provisions calling for full economic and cultural relations and the removal of "barriers to the free movement of goods and people."

For the Israelis, the road to Cairo still goes only one way. About 35,000 Israeli tourists visited Egypt last year, according to Israeli figures, but only 500 Egyptians came to Israel.

REPORT: Cracks in the President's Protective Wall

(Continued from Page 1)

lies in the way in which it presents a direct, unequivocal, coherent and unsparring portrait of the complex activities that came to be known as the Iran-contra affair.

It makes them understandable, and does so in sober and straightforward tones throughout. The judgments it renders are simply, bluntly stated.

"Again, North lied," it says at one point, referring to Lieutenant Colonel Oliver L. North, a National Security Council aide. It calls a cover-up a cover-up. It brands lies as lies, deception as deception.

Its section headings read like pithy guidelines to a tragic episode with overtones of high corruption coupled with high purpose: "The Money Begins to Run Out," "The Decision to Bring the Situation to a Head," "Keeping 'USG Fingerprints' Off the Contra Operation," "1986 'Authority to Lie' Taken to the Cleaners," "The Iran Initiative Continues."

Its text is free of bureaucratic jargon, unusual for a document

that is the product of many authors struggling against a tight deadline to achieve a consensus in a highly charged political atmosphere.

For example, here's how it summarizes why the secret Iran arms sales failed disastrously, and the implications of that failure:

"Too many drivers — and never the right ones — steering in too many different directions took the Iran initiative down the road to failure. In the end, there was no improved relationship with Iran, no lessening of its commitment to terrorism and no fewer American hostages."

"The Iran initiative succeeded only in replacing three American hostages with another three, arming Iran with 2,004 TOW's and more than 200 vital spare parts for Hawk missile batteries, improperly generating funds for the contra and other covert activities (although far less than North believed), producing profits for the Hakim-Secord Enterprise that in fact belonged to U.S. taxpayers, leading certain NSC and CIA personnel to deceive representatives of

their own government, undermining U.S. credibility in the eyes of the world, damaging relations between the executive and the Congress, and engulfing the president in one of the worst credibility crises of any administration in U.S. history."

Richard V. Secord, a retired air force major general, and Albert Hakim, his business associate, served as middlemen in the Iran arms sale.

The report will be — and already has become — controversial.

A bitter dissenting minority opinion was filed by the six Republican House members of the select committee and two of the five GOP Senators on the corresponding investigating panel.

They denounced what they called "the more hysterical conclusions" in the majority report and dismissed the serious allegations by saying that mistakes made were merely "mistakes in judgment" and that "there was no constitutional crisis, no systematic disrespect for the rule of law, no grand conspiracy and no administration dishonesty or cover-up."

But despite such strong evidence of the deep political polarization that surrounds this final chapter of the Reagan administration and the secret events that became public knowledge.

Iraqi Planes Again Bomb Atom Plant, Iran Reports

Reuters

NICOSIA — Iraqi warplanes bombed an unfinished nuclear power plant on the Iranian Gulf coast Thursday for the third time in three days, Tehran radio said in a report monitored in Cyprus.

The radio reported additional damage to the Bushehr plant but said there were no casualties.

Iran has held Iraq responsible for any radioactive leak, but the International Atomic Energy Agency, based in Vienna, said Wednesday that the nature and quantity of nuclear material at the plant posed no significant hazard.

Tehran radio said Iranian aircraft flew three sorties Thursday morning against the Aqrah garrison in northern Iraq and troop concentrations at Shahrani on the south-central front.

A military spokesman in Baghdad said Iraqi gunners brought down two Iranian F-5 fighter planes Thursday morning. One was shot down over Aqrah, he said, and the other was seen falling in flames on the south-central front.

The Tehran report did not refer to the safe return of the attacking Iranian warplanes. A Tehran spokesman rejected as a "pure lie" a report that Iranian jets bombed a hospital in northern Iraq.

Baghdad had said 9 people were killed and 64 were wounded in an Iranian raid on a hospital in Dohuk on Wednesday.

Construction of Iran's nuclear plant at Bushehr was started in the late 1970s by Kraftwerk Union AG, a West German company, but was abandoned after the 1979 Islamic revolution.

Iran said 10 people, including an Iranian nuclear expert and a West German engineer, were killed in two Iraqi air raids at the Bushehr site on Tuesday.

In Baghdad, a military spokesman said Iraqi Air Force planes attacked two shipping targets in the Gulf on Thursday, scoring accurate hits on both vessels.

One of the ships hit was described as a "very large" target, by which Baghdad usually means a supertanker. Shipping sources could not immediately confirm the attacks.

Iraq has reported strikes on 16 ships in the past nine days, but shipping sources have failed to confirm most of them.

In Dubai, shipping officials said a British minesweeper detonated a mine in the central Gulf on Thursday. They said the ship exploded near the mine near the Shuaib Alkhaym, 90 miles east of Bahrain.

WORLD BRIEFS

Italy Deputies Vote Against Gulf Fleet

ROME (Reuters) — The parliament, in a chaotic session on Thursday, rejected a cabinet decree issued to finance Italy's naval task force in the Gulf. The vote was an embarrassing defeat for the resurrected government of Prime Minister Giovanni Goria.

Ruling party politicians said the defeat meant the cabinet would have to issue a new decree, probably on Friday, to finance the eight-ship force. They insisted that the mission was not in danger of being called off.

Deputies voted 182-145, by secret ballot, against the existing decree, which provided 51 billion lire (\$41 million) for the flotilla. Government deputies later said disarray in the ranks of the ruling five-party coalition, and suspected defections were to blame for the defeat. At the time, about 250 deputies were absent from the 630-seat chamber.

Gandhi Party Leads in Nagaland Vote

KOHIMA, India (UPI) — Prime Minister Rajiv Gandhi's Congress (I) Party was leading Thursday in the first returns from state assembly elections in Nagaland.

The Congress Party won 15 of the 60 assembly seats contested in Wednesday's election before vote-counting was suspended. The main opposition group, the Naga National Democratic Party, won 3; independent candidates took 3, and the Nagaland People's Party had 1. The counting of returns was to resume Friday morning.

The Congress Party and the Naga National Democratic Party won 24 seats each in 1982 voting. But Mr. Gandhi's party engineered the defections of 11 independents to secure control of the state for the first time since the creation of Nagaland in 1961.

Chinese MiG Pilot Defects to Taiwan

TAIPEI (AP) — A Chinese Air Force pilot defected Thursday to Taiwan in a MiG-19 jet fighter, the Taiwan Defense Ministry reported. Military sources said he is expected to be given about \$2 million in gold as a reward.

A ministry statement said that the pilot, Lin Chih Yuan, landed his fighter at an air force base in Taichung, about 120 miles (200 kilometers) south of Taipei. The ministry said the pilot came from Hsin in the northeastern Chinese province of Shandong. It did not disclose his rank or provide other details.

Mr. Liu was the 13th Chinese pilot to defect to Taiwan since 1960, according to the Defense Ministry. Taiwan rewards Chinese military defectors in gold in amounts depending on the type of weapons, aircraft or ship they bring.

3d Day of Rioting Reported in Nigeria

LAGOS (AP) — Policemen fired tear gas on crowds of youths who were throwing stones here Thursday, the third day of riots in which at least two people have died.

Policemen with machine guns and riot gear manned posts behind overturned burned-out vehicles. They waved traffic away from certain streets as bands of roving youths renewed attacks on riot policemen patrolling the neighborhood.

The disturbances began Tuesday following the fatal shooting of two pedestrians by a policeman. The shooting sparked rioting and looting that quickly spread to five adjoining neighborhoods.

Protestant Politician Shot in Belfast

BELFAST (AP) — A leading Protestant politician was shot in the head as he got out of a car in Belfast on Thursday, the police said.

George Seawright, an elected Belfast city councillor who once declared publicly that all Catholics should be burned in an incinerator, was hospitalized in critical condition with two bullet wounds in the head, the authorities said.

The Royal Ulster Constabulary said Mr. Seawright was shot by "terrorists." The attack was later claimed by a leftist group known as the Irish People's Liberation Organization. Mr. Seawright was the second Belfast councillor to be shot this year.

TRAVEL UPDATE

Finns Ending Tourist Reindeer Hunts

HELSINKI (Reuters) — The Finnish government said Thursday that it was drafting laws to stop the hunting of Lapland reindeer as a tourist spectacle. Pirkko Skutnabb, a senior official in the Agriculture Ministry, said the new regulations would outlaw the hunting of reindeer for sport.

Finnish tourism officials, eager to promote Finland as the home of Santa Claus and his reindeer, have condemned the show hunts. Reindeer roam over vast expanses of Lapland. The hides and the meat, a delicacy, are sold in Finland and abroad.

PANAMA: Noriega Sabotage Bid

(Continued from Page 1)

Officials have also said he often provides information to the Cubans, who are the Sandinistas' closest allies in the region. It was not clear how Colonel Noriega expected to keep his sabotage plan secret from the Cubans.

It could not be learned whether Colonel Noriega communicated with General Noriega directly or whether an intermediary was used. Panama was previously enlisted in covert operations to support the Contras that involved the CIA.

The congressional report, issued Wednesday, provides the fullest account yet of the activities kept secret from Congress. It says that White House officials were planning a host of additional operations when their secret network was exposed last year.

Although it does not describe in detail the other covert operations planned by "the Enterprise," the private companies run by Richard V. Secord, a retired Air Force major general, and Albert Hakim, an Iranian-born middleman, the report said they included gathering intelligence on terrorists, freeing hostages and undermining Soviet propaganda efforts.

The report also details completed operations, including Colonel Noriega's use of a Danish ship to ferry arms around the world and his payments to Drug Enforcement Administration agents hoping to free American hostages in Lebanon.

In discussing the activities attributed by officials to Panama, the report said only that "a third party" offered to carry out the operations. It did not indicate that a foreign government was involved.

According to the report, Admiral Poindexter told Colonel Noriega "not to become involved in conspiracy or assassinations." But the admiral apparently decided to run the sabotage operation outside normal government channels.

He ordered the colonel to pay for the sabotage out of money controlled by the Enterprise, which held profits from the Iran arms sales.

According to the report, Colonel Noriega told the committee in closed session that he was dismissed before the sabotage plan could be carried out.

The report also makes these points:

- The United States dealt with two sets of Iranians during its year of negotiation, and both were ultimately representing the same group of political figures in Tehran. Some U.S. officials believed that

elements of the second set — dubbed the Second Channel in previous accounts — may have been involved in the kidnapping of William Buckley, the CIA station chief in Beirut who was later tortured and killed. The report said an Iranian negotiator told Colonel Noriega in September last year that one of his associates had "played a role" in the kidnapping of Frank Reed, an American, to put "additional pressure on the United States."

- The weapons in later sales to Iran went directly to the Revolutionary Guards, among the most radical Iranian elements.

- A total of \$48 million was raised from the arms sales and from contributions by foreign countries, of which \$35.8 million was spent on operations around the world.

- William J. Casey, the director of the CIA, actively misled Congress. Newly disclosed testimony from closed congressional hearings shows, for example, that in 1984, weeks after he wrote a memo detailing his agency's efforts to raise money from Israel and South Africa for the Contras, he was asked by the House Intelligence Committee whether he knew of any efforts to raise money from third countries. "We have not been involved in that at all," Mr. Casey replied.

- A private fund-raising network collected \$10 million to aid the Contras, more than half of which was paid back to organizations that collected the money. About \$4.5 million was "funneled to or spent on behalf of the Contras," including more than \$1 million for lobbying and advertising, according to the report. The rest was for expenses of fund-raising organizations run by Carl R. Channell and Richard R. Miller.

Lee Byung Chul, 77, Seoul Executive, Dies

The Associated Press

SEOUL — Lee Byung Chul, 77, chairman and founder of Samsung, the largest largest business conglomerate in South Korea, died Thursday of lung cancer.

Mr. Lee started his business in 1938 and rebuilt it after the 1950-53 Korean War into a high-technology manufacturer. It was the first major South Korean trading company.

He expanded from sugar refinery and textiles into electronics, aircraft, semiconductors, shipbuilding, machinery and food processing. The group has 26 subsidiaries and about 75,000 employees.

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White House Declines To Rebut Iran Findings, Calling Report Partisan

The Associated Press
WASHINGTON — The White House, contending Thursday that the Iran-contra report by Congress is a partisan attempt to discredit President Ronald Reagan, refused to offer a rebuttal to its conclusions and criticisms.

Brushing aside questions from reporters, the president's chief spokesman, Martin Fitzwater, said, "I won't go into any of the details of the report."

Asked if Mr. Reagan would address the findings, Mr. Fitzwater said, "I don't think we'll ever discuss these kinds of details."

He said Mr. Reagan has a report and "probably will read some of it" but that the president has no plans to comment on it "any time soon."

On Wednesday, after the report was issued, Mr. Reagan kept to a round of ceremonial duties and refused to comment on the 690-page study of his administration's worst foreign policy entanglement.

"The report charged the administration with 'disdain for law' and assigned the 'ultimate responsibility' for the affair to Mr. Reagan."

The affair, Washington's biggest political furor since Watergate, erupted a year ago this month with the disclosure that American arms had been secretly sold to Iran and the proceeds illegally diverted to insurgents fighting the government of Nicaragua.

Mr. Fitzwater said in a statement Wednesday that "the president did not violate any laws."

"Even the majority report does not so state," he said. He defended Mr. Reagan as having "cooperated every step of the way."

"The president made it clear that he accepts responsibility and understands that mistakes were made in the conduct of these policies," Mr. Fitzwater said.

He noted that the Republicans on the House committee that investigated the affair, and two of the five Republican members of the Senate panel, filed a dissent contending that while the administration had made mistakes they amounted to no more than errors of judgment.

Report of Cover-Up
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The congressional report describes Mr. Reagan as being at the forefront of those who misled the nation last fall after the Iran-contra affair began to unravel.

It portrays Mr. Reagan as actively attempting to conceal aspects of the scandal from the American people, and it documents an intense effort within the administration to cover up possibly illegal actions by the president and his subordinates.

In particular, the report says, Mr. Reagan and his aides went to unusual lengths to conceal the president's role in the 1985 shipment of 15 Hawk anti-aircraft missiles to Iran through Israel as part of an effort to win freedom for American hostages in Lebanon.

This shipment was sensitive because it occurred before Mr. Reagan had signed a finding, or legal authorization, for such weapons transfers, according to the report.

Aides to Mr. Reagan fabricated chronologies to disguise the facts of the shipment, and some White House officials withheld details from others, the report said.

Mr. Reagan "told the public that 'early reports of arms sales for hostages had no foundation,' the report states. 'He told the public that the United States had not traded arms for hostages. He told the pub-

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"All of these statements by the president were wrong," the report said.

The majority report notes that Mr. Reagan told congressional leaders on Nov. 10, 1986, that no laws had been broken, no ransom paid for hostages, and no officials or agencies within the U.S. government implicated. All these assertions have been questioned.

On Iran, the report says Mr. Reagan knowingly made untrue statements. For example, in his Nov. 19 news conference, Mr. Reagan said the United States had not condoned any arms sales to Iran prior to his signing of a finding on Jan. 17, 1986.

However, the congressional report points out, Mr. Reagan had told Secretary of State George P. Shultz earlier that same day that he had known of the Hawk missile shipment, which was made before any finding was signed.

Casey and Meese Assailed
Congressional investigators heavily criticized two of President Reagan's closest allies: the late CIA director, William J. Casey, and Attorney General Edwin Meese 3d, the Los Angeles Times reported.

Mr. Casey misused U.S. intelligence processes "to support the policy he was promoting in Central America. He was, investigators suggested, the guiding hand behind a move to create secret machinery outside the government to carry out 'off the shelf' covert operations abroad."

When the scandal broke, investigators concluded, the attorney general so seriously "departed from standard investigative techniques" that his investigation of the entire affair was placed "under a cloud."

Several times, the report pointed out, Mr. Casey's testimony either directly was in conflict with other testimony or that Mr. Meese could not remember details about his actions that other witnesses recalled.

U.S. Viewers See 'Secret' U.K. Project
By Alex S. Jones
New York Times Service

NEW YORK — Portions of a television documentary barred in Britain on security grounds have been shown to American audiences twice in recent days.

American saw portions of a six-part British Broadcasting Corp. documentary called "The Secret Society," concerning the Zircon spy satellite. British officials say the project is secret, but the maker of the documentary contends it is "merely embarrassing to the British government."

The satellite is said to be designed to eavesdrop on communications from the Soviet Union, Eastern Europe and the Middle East.

According to the documentary, the British government portrayed the Zircon as a nonmilitary communications satellite, thereby avoiding mandatory review of military projects by Parliament.

The documentary was seized as a potential risk to national security by the British authorities in February in raids on BBC offices in Scotland.

Last Thursday, the ABC News program "World News Tonight" broadcast about one minute of the 30-minute documentary.

On Monday night, an organization promoting journalistic inquiry, showed most of the Zircon documentary to about 1,000 people in San Francisco.

Francis McCormack, a spokesman at the British Embassy in Washington, said, "The British government deplores any further dissemination of the 'security information' in the Zircon documentary."

Lee Byung Chul, Seoul Executive, Dies
Seoul — Lee Byung Chul, chairman and founder of Samsung Corp., died of a heart attack at his home in Seoul on Wednesday.

Mr. Lee was 68 years old. He had been in poor health for some time.

He was one of the most powerful businessmen in South Korea.

He had founded Samsung in 1938 and had expanded it into a conglomerate of industries including electronics, shipbuilding, and insurance.

He was also a member of the National Assembly and had served as a minister in the government.

His death was a major blow to the South Korean economy.

Reindeer Hunt
The government said Thursday it had killed a reindeer in the Lapland region of Sweden.

The reindeer was found dead in a forest near the town of Umea.

The government said it was the first reindeer to be killed in the region since 1980.

The reindeer was a female and was about 10 years old.

The government said it was investigating the cause of the death.

Nagaland Vote
Rajiv Gandhi's Congress party returns from state assembly elections with a landslide victory.

The Congress party won 100 out of 105 seats in the Nagaland Legislative Assembly.

The opposition party, the Nagaland People's Front, won only 5 seats.

The Congress party's victory was a major boost to its campaign for national elections.

Effects to Taiwan
A pilot defected Thursday from the Republic of China (Taiwan) to the People's Republic of China (China).

The pilot, a member of the Republic of China Air Force, was flying a C-119 transport plane.

The pilot defected while flying over the Taiwan Strait.

The People's Republic of China said it had received the pilot safely.

Shot in Belfast
A politician was shot in the leg Thursday in Belfast, Northern Ireland.

The politician was a member of the Northern Ireland Assembly.

The shooting occurred while the politician was walking through a crowd.

The politician was not seriously injured.

Fruit of Ortega Trip: He Sees Gains in Taking Case to Congress

By Stephen Kinzer
New York Times Service

MANAGUA — As he returned to Nicaragua this week from a trip to the United States, President Daniel Ortega Saavedra said he believed he was closer than ever to a goal he did not think was possible even a few months ago: a vote in the U.S. Congress to cut off aid to the Nicaraguan rebels.

Mr. Ortega contended that such a vote would end the civil conflict in Nicaragua, thereby opening new sources of foreign aid, which Nicaragua desperately needs to stave off further economic collapse.

There have been recent indications that several countries, including West Germany, Denmark, the Netherlands, Mexico and Venezuela, would consider new aid for Nicaragua if the conflict ended.

For years, the Sandinist government has presumed that, because of President Ronald Reagan's unwavering commitment to the contras, the rebels are known, there was no way to end U.S. financing for the movement. But the Sandinists now say they believe they can succeed in going over



NOT BUDGING — Janis Sulcs, left, and Valdis Rozentals standing in 400-pound concrete blocks at the Soviet Embassy in Washington to protest Soviet rule in Latvia. Each wore a shirt carrying the name of an alleged political prisoner. After firefighters chipped away the cement, the police arrested the two, along with six supporters.

the president's head to Congress, an approach they have followed before.

The Central American peace accord signed in August in Managua was opening new possibilities for the Sandinists.

Under its provisions, no country in the region would be permitted to assist the contras once the Sandinists established full political freedom.

Through a series of skillful political maneuvers in Managua and Washington, the Sandinists may have won at least a temporary edge in the effort to sway Congress.

Mr. Ortega has portrayed himself as open and willing to compromise, while the contras and their U.S. backers have not managed a coherent response.

In his four-day stay in Washington, Mr. Ortega concentrated his efforts on Jim Wright, speaker of the House of Representatives, who has emerged as the key figure in Congress on matters relating to Nicaragua.

The Texas Democrat is known to command the respect of many congressional

moderates from his party, so Mr. Ortega is eager to satisfy him that Nicaragua is making genuine efforts toward peace.

It is still uncertain how far the Sandinists will move toward political liberalization, especially while Honduras continues to harbor contra camps and to allow its airfields to be used by U.S. Central Intelligence Agency planes on clandestine contra supply missions. But recent weeks have indicated that pragmatism is now more than ever the dominant Sandinist principle.

When it became clear, for example, that many U.S. members of Congress wanted La Prensa, the opposition newspaper, to be allowed to publish, Mr. Ortega ordered it reopened.

Soon afterward, also under pressure from Congress, he retreated from a cherished principle and agreed to open indirect talks with the contras. Then he named the widely respected Roman Catholic primate of Nicaragua, Cardinal Miguel Obando y Bravo, as mediator.

While in Washington, Mr. Ortega went further, agreeing to accept four Americans as advisers to the talks.

Also in Washington, he issued an 11-point plan that did little more than call on the contras to surrender. But in an interview aboard the plane that carried him home after his visit, he described the plan as "not an ultimatum" and expressed a willingness to review any counterproposal.

"The Sandinistas never put all their cards on the table at the beginning," a diplomat from a British Commonwealth country said Tuesday. "Ortega has never been so close to getting the contras cut off by Congress. Whether he takes any further steps depends on what the various congressmen tell him when they come down here."

On his flight from Washington, Mr. Ortega laid out some elements of the present negotiating position.

He said that the peace talks could not be held in Central America, as advocated by the contras, but rather should be in the United States. He also said the talks would have to be confined to the mechanics of a cease-fire, not touching on political topics, as preferred by the contras and the Reagan administration.

He said there would be no more prisoners released in coming weeks, and he rejected the idea that the opposition be allowed to control a Nicaraguan television station.

Still, this has been a period of startling maneuvering for the Sandinists, and their desire to end the contra war is stronger than ever. If Mr. Ortega is advised that altering his stand on one or more of these issues would change minds in Congress, he will undoubtedly consider the advice very seriously.

Within Nicaragua, some opposition leaders have begun calling for repeal of the Sandinist electoral law, which they say is a root of political discrimination. Under the law, the government names all three members of the board that oversees elections.

"We could be on the brink of something very significant here, but there are some vital steps that still remain to be taken," said Emilio Alvarez Montalvan, a physician and veteran leader of the Conservative Party. "There has to be a right to free election, and for that we need a new electoral law. If the Sandinistas allow that, I will begin to think that this is not a game."

Black Nurses Rebuffed In Bid to Save a White
JOHANNESBURG — A South African traffic policeman barred three black nurses from treating a white man injured in a car crash, the Johannesburg Star newspaper said on Thursday. The man later died.

The nurses passed the scene of the crash in an ambulance and volunteered to give emergency treatment to the motorist, the newspaper said. But a traffic officer told them he had already called an ambulance and stopped the nurses from treating him. Blacks and whites have separate medical facilities in South Africa.

Last Death Squad Haunts Argentina
By Bradley Graham
Washington Post Service

BUENOS AIRES — Confessions this month by federal police officers arrested for the kidnapping and death of at least three wealthy businessmen have confirmed suspicions that at least one rightist squad formed under military rule has continued to operate in Argentina.

As investigators interrogate the middle-ranking officers held as members of the extortion-and-murder ring, many have speculated that the trail may lead higher up in police ranks or branch into the armed forces.

While new disclosures could bring the government of President Raul Alfonsín, elected four years ago, into fresh conflict with the security services, Argentine officials for now are enjoying widespread congratulations for cracking what had been one of the country's most nagging unsolved crimes.

"This episode has some very positive implications for the consolidation of democracy," a human rights leader, Emilio Mignone, said. "The judiciary and the police working together got results."

Special police and military units were used by the military governments of the 1970s and early 1980s to combat leftist guerrillas.

The Alfonsín government has exposed the disappearance and murder of at least 9,000 people in that period and has obtained convictions against former military junta members for masterminding the illicit campaign. But some extortion, drug trafficking and arms dealing has been attributed to surviving rightist squads.

The first public revelation in the new case occurred Nov. 5, with the unearthing of the remains of Osvaldo Sivak, the head of a banking and real estate company who was kidnapped 28 months ago. Several feet from where that corpse was found — on the grounds of a country club south of Buenos Aires — the authorities discovered several days later the remains of a lumber magnate, Benjamin Newman, abducted in February 1982.

On Friday, the charred corpse of Eduardo Oxenford, the son of a former industry minister, was dug up behind a house once frequented by a prominent army general. He was seized in 1978, when he was 26.

Large ransoms had been paid for all three men, but none of the victims was ever freed.

The disappearance of Sivak, in particular, was a keen embarrassment for Mr. Alfonsín, since it occurred a year and a half after he took office. Moreover, a back-channel investigation undertaken by government officials — employing military intelligence agents to find out what happened to Sivak — erupted last year in scandal and caused the resignations of a minister of defense and a Buenos Aires police chief.

Five federal police officers, several of them either retired or on

medical leave at the time of their arrest, are now being held. Some have confessed to the killings. Two other policemen are being sought. An eighth, arrested last week was found dead in his cell two days later.

Immunity Law Assailed
Amnesty International has said that a law in Argentina granting immunity to military torturers who claimed they were obeying orders posed a grave threat to human rights in Argentina and set a "dangerous precedent," Agence France Presse reported.

The London-based human rights organization said Wednesday that the law, adopted in June, ran counter to treaties signed by Argentina and risked negating advances resulting from the convictions.

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By Alex S. Jones
New York Times Service

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Seoul — Lee Byung Chul, chairman and founder of Samsung Corp., died of a heart attack at his home in Seoul on Wednesday.

Mr. Lee was 68 years old. He had been in poor health for some time.

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He had founded Samsung in 1938 and had expanded it into a conglomerate of industries including electronics, shipbuilding, and insurance.

He was also a member of the National Assembly and had served as a minister in the government.

His death was a major blow to the South Korean economy.

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The government said it was investigating the cause of the death.

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Rajiv Gandhi's Congress party returns from state assembly elections with a landslide victory.

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White House Declines To Rebut Iran Findings, Calling Report Partisan

The Associated Press
WASHINGTON — The White House, contending Thursday that the Iran-contra report by Congress is a partisan attempt to discredit President Ronald Reagan, refused to offer a rebuttal to its conclusions and criticisms.

Brushing aside questions from reporters, the president's chief spokesman, Martin Fitzwater, said, "I won't go into any of the details of the report."

Asked if Mr. Reagan would address the findings, Mr. Fitzwater said, "I don't think we'll ever discuss these kinds of details."

He said Mr. Reagan has a report and "probably will read some of it" but that the president has no plans to comment on it "any time soon."

On Wednesday, after the report was issued, Mr. Reagan kept to a round of ceremonial duties and refused to comment on the 690-page study of his administration's worst foreign policy entanglement.

"The report charged the administration with 'disdain for law' and assigned the 'ultimate responsibility' for the affair to Mr. Reagan."

The affair, Washington's biggest political furor since Watergate, erupted a year ago this month with the disclosure that American arms had been secretly sold to Iran and the proceeds illegally diverted to insurgents fighting the government of Nicaragua.

Mr. Fitzwater said in a statement Wednesday that "the president did not violate any laws."

"Even the majority report does not so state," he said. He defended Mr. Reagan as having "cooperated every step of the way."

"The president made it clear that he accepts responsibility and understands that mistakes were made in the conduct of these policies," Mr. Fitzwater said.

He noted that the Republicans on the House committee that investigated the affair, and two of the five Republican members of the Senate panel, filed a dissent contending that while the administration had made mistakes they amounted to no more than errors of judgment.

Report of Cover-Up
David Hoffman of The Washington Post reported earlier.

The congressional report describes Mr. Reagan as being at the forefront of those who misled the nation last fall after the Iran-contra affair began to unravel.

It portrays Mr. Reagan as actively attempting to conceal aspects of the scandal from the American people, and it documents an intense effort within the administration to cover up possibly illegal actions by the president and his subordinates.

In particular, the report says, Mr. Reagan and his aides went to unusual lengths to conceal the president's role in the 1985 shipment of 15 Hawk anti-aircraft missiles to Iran through Israel as part of an effort to win freedom for American hostages in Lebanon.

This shipment was sensitive because it occurred before Mr. Reagan had signed a finding, or legal authorization, for such weapons transfers, according to the report.

Aides to Mr. Reagan fabricated chronologies to disguise the facts of the shipment, and some White House officials withheld details from others, the report said.

Mr. Reagan "told the public that 'early reports of arms sales for hostages had no foundation,' the report states. 'He told the public that the United States had not traded arms for hostages. He told the pub-

lic that the United States had not condoned the arms sales by Israel to Iran, when in fact he had approved them and signed a finding, later destroyed by Pointeclair, recording his approval.' The reference was to Vice Admiral John M. Pointeclair, then the national security adviser."

"All of these statements by the president were wrong," the report said.

The majority report notes that Mr. Reagan told congressional leaders on Nov. 10, 1986, that no laws had been broken, no ransom paid for hostages, and no officials or agencies within the U.S. government implicated. All these assertions have been questioned.

On Iran, the report says Mr. Reagan knowingly made untrue statements. For example, in his Nov. 19 news conference, Mr. Reagan said the United States had not condoned any arms sales to Iran prior to his signing of a finding on Jan. 17, 1986.

However, the congressional report points out, Mr. Reagan had told Secretary of State George P. Shultz earlier that same day that he had known of the Hawk missile shipment, which was made before any finding was signed.

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Herald Tribune

Published With The New York Times and The Washington Post

The Iran-Contra Report

Second Worst Offense

The Iran-contra committees charge Ronald Reagan with the second worst offense for a president. They conclude that he did not fulfill his constitutional oath "to take care that the laws be faithfully executed." The judgment by the committees' Democrats and three Republicans could have been more harsh, but only if they judged that the president knew about the illegalities committed by trusted subordinates or, like Richard Nixon, actively joined their cover-ups.

On Mr. Reagan's watch, the U.S. sold arms to terrorist Iran for hostages and diverted profits to the Nicaraguan rebels. The committees' report says that high officials created a nongovernmental enterprise designed to circumvent legal controls and, before being exposed, dreamed of creating a permanent enterprise for other off-the-books adventures. They were "disdainful" with Congress, had "disdain" for the law and sought to "cover up" their deeds.

The charges, though not criminal, are hardly less humiliating for Mr. Reagan. The evidence that has survived shredding and the testimony of key witnesses forces Congress to accept that he did not know what was being perpetrated in his name. But what he did not know were things he should have known. Worse, the majority report concludes that the president generally encouraged the Iran-contra enterprises through the tone and policies he set.

With less evidence and a more limited perspective, the presidential commission headed by former Senator John Tower was too tender with Mr. Reagan. It blamed only his laid-back management style. Here was a management failure, to be sure, but also a gross default of moral leadership. A president cannot superintend all his agencies, but he can make clear to his agents that he expects lawful execution of his goals. Congress, which makes the laws, has a right to reassess that the president is not above them.

There were laws forbidding weapons deals with terrorist nations, but Mr. Reagan, proclaiming his anti-terrorism, approved the sales. Laws forbidding military aid for the Contras but Mr. Reagan, publicly claiming he was obeying the law, unilaterally authorized a mandate to keep the Contras together "body and soul."

As the committees observe, Mr. Reagan greeted the unraveling of the Iran-contra schemes not with condemnation but with misleading statements. He said that the government had no connection with a downed plane carrying arms to the Contras, that the early reports about arms for hostages had "no foundation," that the United States had not condoned Israeli arms sales to Iran. "All of these statements by the president were wrong," the report underlines. The report rightly complains that Mr. Reagan has yet to condemn the shredding, the lying to Congress, the covert policies.

To the committees' lasting credit, they finally focus on the right issue. "The question whether the president knew of the diversion is not conclusive on the issue of his responsibility," the report says. "The president created or at least tolerated an environment where those who did know of the diversion believed with certainty that they were carrying out the president's policies." At last, the committees took the spotlight off the unprovable smoking gun and put it on the smoking cannon.

—THE NEW YORK TIMES

'Disdain for the Law'

The report of the select committees on the Iran-contra affair does more than add useful detail and context to earlier accounts of the Reagan administration's darkest passage. It takes on a special authority from its tone of factuality and restraint and from its approval by a bipartisan majority, including Republican Senators Warren Rudman, William Cohen and Paul Trible. The report is a devastating portrait of the way secrecy, deception and "disdain for the law" produced a fearful policy breakdown, pushed elements of the administration into a moral and political jungle and savaged the president's personal authority in ways from which he has still not recovered.

Mr. Reagan avoided direct comment on the report, and the White House sought in effect to acknowledge it and move on. One can understand why the administration would not want to revisit the scene of repeated policy and process horrors and, it may yet turn out, assorted crimes. The worst thing that comes out of the report is the lying: the lying done to the president, the secretaries of defense and state, Congress and plenty of others, not least the public. No claim is made in the report that Mr. Reagan himself knowingly lied. But in underlining to swap arms for hostages with Iran, a policy he could not or would not try publicly to justify, he created the conditions for a policy that could only be pursued—and later covered up—through deceit.

Confronting the pervasive contempt for democratic process and law, the committees concluded there is no magic legislative remedy. Their report suggests tinkering a bit with the relevant statutes and procedures. It sounds sensible enough, but a more effective remedy may be available in the governmental and political arenas. Officials in both branches of government and at all levels must carefully tend the system that endows them with power. The report makes it all the more essential for the president to do what he still has not done: find an effective way to acknowledge the immensity of the misdeeds that took place and the derelictions of the people who abused the power and trust he gave them.

—THE WASHINGTON POST

Blaming the Foreigners

In lieu of any better ideas for restraining imports, the Reagan administration is now blaming on Asian exporters to raise their prices. Just about everybody agrees that U.S. consumption has to be brought down. One way to do it would be to raise taxes. Another would be to cut federal spending. The budget compromise now in progress will do a little of both, but only a little. Imposing a hold-down on American consumers is not a prospect that either the White House or the Congress finds appealing. Getting foreigners to do it is more congenial.

The new commerce secretary, C. William Verity, steered the Japanese the other day to get their prices up. He wants them to take faster profits. Otherwise, he dully suggested, the United States might start litigation against them for charging too little. While the prices of Japanese goods have been rising in the United States, they have not risen as fast as the Japanese yen. Japanese exporters have been shaving profit margins to keep their prices down. Mr. Verity wants that stopped immediately.

Similarly, an assistant secretary of the Treasury, David Mulford, urged four other Asian exporters in a speech this week to raise their exchange rates against the dollar. The purpose is to raise the prices of their goods in

the United States. President Reagan said last week that America does not want to see the dollar decline further. But that view apparently does not extend to the Treasury, which accuses the four — Taiwan, South Korea, Singapore and Hong Kong — of keeping their currencies artificially depressed while running large trade surpluses. That, as Mr. Mulford correctly observes, is disruptive to the world trading system. He sees a need for "very large" rises in their exchange rates against the dollar — meaning very large devaluations of the dollar against them. How much further does the dollar need to drop, not only against the Asian currencies but against others, to balance American trade? The answer depends on policy in the United States. If the administration could bring itself to reduce consumption deliberately, trade could be balanced at exchange rates not very different from the current ones. But if there is no change in present policy, the exchange rates will have to fall substantially. The effect would be to curtail consumption by the harsh mechanism of soaring interest rates and severe recession. That is why people in the financial markets are following the wrangling over the budget with such intensity.

—THE WASHINGTON POST

Other Comment

The Judgment of History

The report [of the committees investigating the Iran-contra affair] confirms the worst of President Reagan's role. He abused trust and his fundamental policy on terrorism. It was appalling. Republican partisan rationalizing does nothing to diminish the blame.

—The Daily News (New York)

Despite the effort by some Republican members to upstage, politicize and obfuscate the findings, the majority report is compelling and damning: The Reagan administration showed disdain for the law, created a secret and irresponsible foreign policy, and disregarded the president's oath to see that the laws are faithfully executed. It may well be that the president's defense — essentially that he did not know what was going on in his National Security

Council operation — will protect him from legal consequences. It will not spare him, though, from the harsh judgment of history.

—The Detroit Free Press

The 690-page document summing up the findings of the congressional select committees that investigated the Iran-contra affair landed Wednesday with a heavy thud, but not much else. What the people needed to know was "What did the president know and when did he know it?"

"Not much," and "no one remembers precisely" were the answers that emerged from the three months of hearings. The Democratic majority report, endorsed by three Republican senators, and the Republican minority rebuttal do not seem to challenge that.

There is the temptation to shrug.

—The Chicago Tribune

Spicy Details in 690 Pages, but Little Meat

By Scott Armstrong

WASHINGTON — "The Iran-Contra Affair," the 690-page document released Wednesday, is a cuckoo's nest of the latest affair of a chronically unfaithful mate. Sadly, the author has learned nothing about its constitutional marriage to another branch of government.

The final report of the majority of the Iran-contra congressional committees has many new spicy details. Having failed to nail down the answer they wanted, the committees have finally gone beyond the question "What did the president know and when did he know it?"

The report's careful exposition of facts makes possible many new conclusions about the affair, including those conclusions that will keep the staff of the independent counsel, Lawrence Walsh, on the public payroll well into the next administration as it rolls from prosecutions of overt acts to peyote counts against last summer's witnesses.

Yet the committees have failed to make these conclusions explicit and to draw from them definitive answers to two basic questions of public concern: How did the Reagan administration manage to implement such secret foreign, military and intelligence policies outside the Constitution while Congress slept? Was the Iran-contra affair an intersection of two otherwise isolated instances or was it merely two strands pulled from a larger cloth of systemic lawbreaking?

On first reading, the report leaves one unsure of either the full dimensions of the scandal or of the

nature of the constitutional threat. So severe is this congressional myopia that it seems the committees alone missed the principal public lesson of the public hearing: Congressional oversight has come to involve more overlooking than oversight.

In 11 weeks of hearings focused primarily on the president's state of mind, both committees managed to overlook or ignore the following: the recurring roles of third countries, principally Saudi Arabia and Israel, in unseemly intelligence activities; public accounting of such obvious matters of concern as Luis Posada, accused courier of 73 people, acting as a U.S. counterintelligence expert in Central America, and a complex series of military special operations contracts in which members of the so-called Enterprise were involved and apparently still continue to function.

Aside from a recommendation that it be investigated, the committees went to extraordinary lengths to avoid indicating the system of compartmentalized secrecy that allowed much of this mischief to receive Congress's repeated blessings.

So the committees discovered no workable, practical steps to contain future, or even ongoing, abuses. The report limited its suggestions for legislative changes to tinkering with the president's obligation to report on covert operations. Rather than recommending new proce-

dures and approaches to its oversight roles, the report blames the problem on the administration's deceit and laments that it is impossible to legislate honesty and good judgment.

Yes, even before the administration put them in the dark, legislators had already chosen to shut their eyes. Many aspects of these interlocking scandals and many others only slightly offstage have been discussed openly in the press and informed circles for years.

Oversight of national security matters is not a power that Congress can exercise if it wishes, but an obligation under Article I of the Constitution to regulate the military and to provide a public accounting of the expenditure of monies by the United States. The committee's majority fails to acknowledge the need for new tools to make effective the obligations to provide not only checks and balances but true policy formulation. Even more pathetic is the minority report's failure to cite any facts in its wailing resistance to finding either systematic abuse or constitutional violation.

These compounded endorsements of the status quo leave America's constitutional system at the mercy of a self-restrained executive. Congress demands only honesty about unfaithfulness — not faithfulness itself.

The writer is executive director of the National Security Archive, a library and research institution. He contributed this to The New York Times.

America's Global Bazaar Lures Too Many Sellers

By Robert J. Samuelson

WASHINGTON — The rhetoric and reality of the U.S. trade deficit are sharply at odds. Listen to the rhetoric, and the United States is slowly becoming an economic has-been. Slipping technological prowess and a poor work force are making it an overvalued Paraguay. Look at the reality, and another story emerges. The trade deficit does not reflect a lack of competitiveness so much as the huge pulling power of the U.S. market. It is the world's richest, most accessible market: an enormous global bazaar where everyone wants to sell.

If the United States were so uncompetitive, then U.S. exports would be having poorly in world markets. They are not. Since late 1985 the volume of

Foreign producers have become addicted to the U.S. market. They won't withdraw gracefully.

American exports has risen more than 20 percent. That is impressive, especially because economic growth abroad has been slow. Once the dollar began to fall from the heights of the early 1980s, U.S. exports responded. But imports did not. The trade deficit remains immense because imports have not yet declined.

Go to a well-stocked American toy store and you can see what is happening. There are jigsaw puzzles from West Germany and Britain. American companies are also buying and manufacturing products abroad to defend their traditional markets. Fisher-Price sells plastic roller skates made in Taiwan.

Little wonder that everyone so covets the U.S. market. In 1985, consumer spending was three times higher in the United States than in Japan and 25 percent higher than in the European Community. U.S. investment spending was 86 percent higher than Japan's and 14 percent higher than the European Community's.

The U.S. market is also more open. Europe is a jumble of national markets with separate languages and customs. Japan has a cumbersome and closed distribution system. By contrast, the United States offers a vast national market with one language and an efficient distribution system.

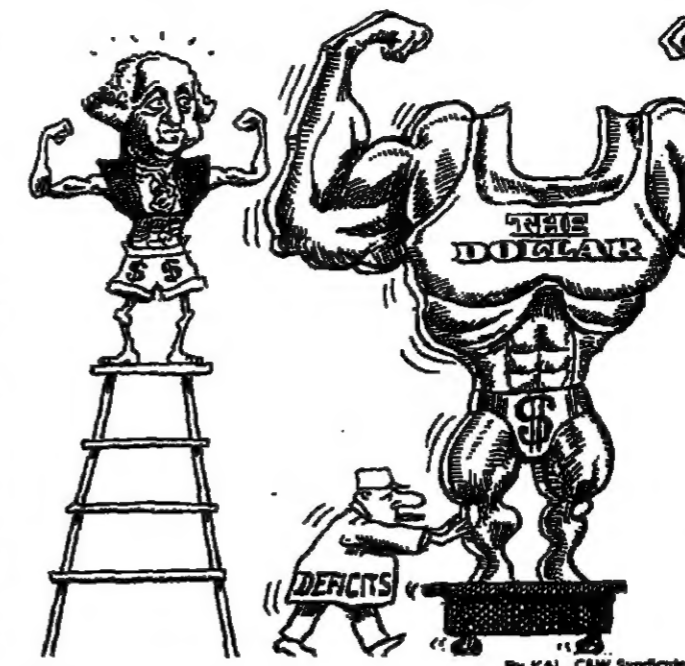
The dollar's 60 percent appreciation between 1980 and 1985 was a competitive windfall for foreign exporters. They could either cut prices or fatten profits. They did a bit of both. Economist Richard Baldwin of Columbia University makes an important point: Foreign profit margins enabled many foreign firms to establish a beachhead in the U.S. market. The higher profit margins covered heavy start-up expenses for advertising and distribution networks. Strong U.S. economic growth further expanded the demand for imports.

But the dollar's subsequent drop is not quickly reversing the flood of imports precisely because the U.S. market is so big and important. In theory, a depreciating dollar makes U.S. exports more competitive and imports more expensive and less competitive. So far only the export half of the theory is working. Imports are less affected for at least three reasons.

Few companies gracefully withdrew from the U.S. market. Their dependence is too great. In 1986, Volvo sold more cars in the United States (110,000) than in Sweden (65,000). Japan sends two-fifths of its exports to the United States. A third of the exports of eight major developing countries (Hong Kong, Taiwan, South Korea, Brazil, Mexico, India, China and Singapore) come to America. To stay in the U.S. market, exporters are shaving profit margins instead of raising prices. Since early 1985, only half the dollar depreciation has been passed along in higher import prices, the Bureau of Labor Statistics has estimated.

Even when exports to the United States become unprofitable, foreign companies may not stop. Rather than abandon the market, they may export until they can shift production to a profitable location, in the United States or elsewhere. The dollar's depreciation has already increased foreign direct investment in North America. Japanese car companies plan factories that could produce two million cars a year by the early 1990s. Assuming that all those plants are built, they may ultimately reduce car imports. Last year, motor vehicles and parts accounted for a third of the \$156 billion U.S. trade deficit.

American companies cannot quickly undo decisions to manufacture or buy abroad. The decisions were often made when the dollar was high and competition from foreign companies



was intense. In some cases, new plants were built. In others, long-term supply contracts were signed. Sometimes alternative domestic suppliers are no longer available. Overseas sourcing was especially strong in electronics, says a Washington trade consultant, William Finnan. The U.S. trade balance in electronics dropped from a surplus of \$7.4 billion in 1980 to a deficit of \$13.1 billion in 1986.

This picture contrasts the conventional wisdom of America slipping into economic collapse. Of course, the United States has lost its huge technological superiority. But good U.S. companies still succeed overseas by adapting to the multitude of foreign markets. A new study of 34 fast-growing U.S. companies (average sales: \$360 million) finds that they increased exports even in the early 1980s when the dollar's value was so high. These companies hired foreigners — Frenchmen in France, Germans in West Germany — to run foreign operations. Products were changed to suit local tastes and market conditions.

The trouble is that higher exports alone will not quickly reduce the trade deficit. Protectionism is not a solution because it would give other countries a pretext to retaliate against rising U.S. exports. What will happen? Imports could drop sharply when foreigners shift production to new U.S. factories. The dollar may continue to depreciate, forcing some importers to quit. The United States could suffer a recession, dampening demand for imports. No one knows. That is why the outlook for the world economy is so worrisome.

The U.S. trade deficit is not only an American problem. If Americans are addicted to imports, import producers are also addicted to America. The U.S. market is everyone's first choice. Getting in is not easy, but once companies succeed the opportunities are vast. Exhilarating those opportunities fostered the postwar growth of world trade, but now they have spawned a dangerous dependence. Whether it can be gently broken is an open question.

The Washington Post

Japan's 'Marshall Plan' Needs Work

By Hideki Tomizawa

TOKYO — After World War II, the United States revived the shattered economies of Western Europe by generously sharing its wealth under the Marshall Plan. Today, it is Japan's turn to help the world economy achieve a similar program.

But contributing some of Japan's vast trade surplus to aid the developing countries is easier said than done. Tight-fisted officials balk at the idea of giving something for nothing.

At the Venice economic summit meeting in June, Prime Minister Yasuhiro Nakasone pledged to recycle more than \$20 billion in new funds to the developing world over three years. The plan was announced along with an emergency economic package to boost domestic demand and imports and reduce Japan's huge trade surplus.

The aid proposal won immediate accolades. Exploratory talks quickly got under way with Indonesia, the

Philippines, Argentina, Bolivia and Turkey. But these countries lost their enthusiasm as details of the scheme unfolded, and many are now critical.

Of the \$20 billion, Tokyo plans to earmark less than \$1 billion as outright grants; a meager \$3 billion to \$5 billion is being offered in low-interest loans through Japan's Overseas Economic Cooperation Fund. The remaining \$15 billion is to be made available via the World Bank, the Export-Import Bank of Japan and private lending institutions.

Mr. Nakasone's announcement, which coincided with the 40th anniversary of the Marshall Plan, included a pledge to set aside \$300 million in grants for the least-developed countries. Fundists in Tokyo hailed this as a Japanese Marshall Plan.

But on closer inspection, Tokyo's aid proposal bears little resemblance to America's postwar recovery plan for Europe. Its strings-attached provisions suggest calculated self-interest, not selfless generosity.

The Marshall Plan, announced in 1947 by Secretary of State George Marshall, offered maximum U.S. reconstruction aid to West European nations anxious to rebuild free, independent economies. From 1948 to 1952, relief funds totaling more than \$13 billion (about \$60 billion in 1987 dollars) were channeled to recipient countries. Most of the money was in the form of outright grants.

At Venice, President Reagan lauded the plan's achievements. It created a sense of community among European countries, he said, turning former enemies into staunch allies.

Of course, the aura of self-sacrifice that surrounded the program disguised a healthy dose of self-interest. The U.S. economy benefited far more than the plan's architects had anticipated. The scheme also dovetailed with the Truman Doctrine, which provided military aid to America's European allies to combat communism.

But the Marshall Plan was based on enlightened self-interest. The U.S. government willingly paid its powerful economy and large trade surplus at the service of the postwar world. It gave unstintingly in order to receive.

This ambitious effort remains a prime example of how to stimulate international demand while contributing to world peace and prosperity.

Economically, Japan is now in a

position comparable to that of the United States in 1945. We Japanese must abandon our penny-pinching, merchant mentality and begin to act like the economic power we have become. Instead of waiting for world opinion to prod us, we should develop a genuine overseas assistance program commensurate with our ability to give.

Recently, Susumu Nakazawa, a senior adviser to the ruling Liberal Democratic Party, proposed a Global New Deal to lessen trade tensions and speed Third World development. Eishiro Saito, chairman of Keidanren, the Japan Federation of Economic Organizations, has called for the establishment of a large international fund in this country to assist the developing nations.

Unlike Japan's self-serving Venice proposal, these plans are based on a global vision of Japan's responsibilities and a realistic assessment of world needs. Reaching this goal, however, will require a national consensus that places service to humanity above the bottom line.

The writer is an associate editor of Nihon Keizai Shimbun, an economic daily. This article was distributed by The Asia Foundation's Translation Service Center in San Francisco.

In Moscow, Security Has A Following

By Jim Hoagland

WARSAW — What pushed Mikhail Gorbachev to stage the public humiliation and dismissal of his protégé in perestroika, Boris Yeltsin, from his post as leader of the Communist Party apparatus that runs the city of Moscow?

"We should not hurry past the obvious," a mid-level Polish official said in hushed tones in a three-hour office session shortly after Yeltsin's demotion. "The Moscow party apparatus has a lot to do with public security in the city. If you are sitting in the Kremlin at a time of great change, you do not want to have the smallest doubts about the stability of the person running the apparatus."

Mr. Gorbachev's sacrifice of the man he put in the Moscow job to push perestroika, or restructuring, will be debated by KGB ideologists for months to come. It is a particularly traumatic event for the members of the East European political elites who have allied themselves with Mr. Gorbachev's efforts to revitalize Soviet society. Primarily in Poland and in Hungary, these elites bring their own heavy preoccupations to the arguments about Mr. Gorbachev's authority and intentions at home.

In talks in Budapest and Warsaw this month, a strictly tactical view emerged of a series of tactical retreats forced on Mr. Gorbachev after concern began to mount in the Politburo about public security in Moscow this summer. East Europeans spoke to put less emphasis on the idea of a winner-take-all battle over reform, though there were elements of this.

The view that security was the dominant issue would explain the rapid reversal of fortunes that occurred in Moscow over the past six months. Mr. Gorbachev emerged from the June plenum of the Central Committee triumphant, able to place his allies on the Politburo and in charge of the armed forces. Senior officials in Washington judged that he had finally turned the corner.

When a group of Crimean Tatars staged demonstrations in front of the Kremlin in July and did not get their skulls bashed in, it seemed to mark a beginning of some form of glasnost, or openness, in the Soviet capital. Watching from a hotel balcony on the final evening of the protests, I was stunned to see Tatar demonstrators march out of Red Square shouting slogans under the protection of Soviet traffic policemen. Soviet citizens on the sidewalk were openly amazed and, more to the point, openly angry over this un-Moscowlike spectacle.

In retrospect, the demonstrations marked the high point of Mr. Gorbachev's authority and of the glasnost movement for this year at least. It was not long afterward that Mr. Gorbachev disappeared on his 56-day vacation, and the head of the KGB, Viktor Chebrikov, openly attacked glasnost in a speech in Moscow.

The KGB's attitude toward glasnost had been something of a mystery until that speech. Praise for Mr. Gorbachev from some Soviets who were authorized to have contacts with foreign newsmen and who were thought to have ties to the security agency had suggested there was support for glasnost somewhere in the organization.

But Mr. Yeltsin, who later was given a high-level job as first deputy chairman of the ministry in charge of construction, appears to have been an early and important target of those who were out to discredit reform in ways that carry the mark of a proficient security operation. In a remarkable disclosure, the Paris daily Le Monde last year published the transcript of a tape made at the meeting of Moscow party leaders in which Mr. Yeltsin sounded at times like a Robespierre in waiting. Another tape of Mr. Yeltsin addressing a group was turned over this year to The New York Times.

It may have been no accident, then, that when the conservatives took the floor at the Moscow city party meeting last week to denounce Mr. Yeltsin, one of their heaviest charges was that he had talked carelessly about party matters around foreigners.

In disfigurement, Mr. Yeltsin has achieved a status in Soviet political life that his successes never brought him. His fiftieth birthday has taken on a tragic quality and he has become a symbol of a future that may never have been in Mr. Gorbachev's mind in the first place. A representative view in Eastern Europe seems to be that once the Washington summit meeting is out of the way, Mikhail Gorbachev will try again on restructuring from what he hopes will be a steeper base in Moscow.

The Washington Post

100, 75 AND 50 YEARS AGO

1887: Worthless Cruiser

NEW YORK — A great sensation has been caused in naval circles by the letter of Captain Bruce, regarding the new cruiser Atlanta written to the Navy Department. He states that the vessel is worthless as a cruiser, and altogether unworthy. This criticism also applies to the Boston, sister ship to the Atlanta. Captain Bruce says that the projectiles of the enemy would have free access to the vitals of the vessel. He makes suggestions for radical alterations, which will cost \$200,000. A majority of the officers agree with Captain Bruce, and censure the Advisory Board for selecting the designs.

1912: Desperate Men

CHICAGO — Two desperadoes held up a fast passenger train on the Chicago, Milwaukee and St. Paul Railroad in Southern Iowa at midnight [Nov. 18-19] and robbed the passengers between stations, compelling

them to keep their hands raised while they escaped. Five men who are suspected have been captured. PARIS — Burglars last night [Nov. 19] entered the villa in which Mme. Emile Zola, widow of the author, lives in the summer, on an island near Triel. They carried away part of the heating apparatus, and had unhinged all the doors and windows, piling them up neatly. It is believed they intended to carry them away later.

1937: Stalin's Purge

MOSCOW — The known death toll of Joseph Stalin's purge, since the Kamenetz-Zinoviev trial of August 1936, has reached 1,151. The celebration of the revolution's 20th anniversary a fortnight ago caused only a temporary lull in the activity of the firing squads. This figure of 1,151 is unofficial, having been reached from lists published by the Soviet press. It probably leaves out some petty spies and "wreckers," whose executions were not announced.

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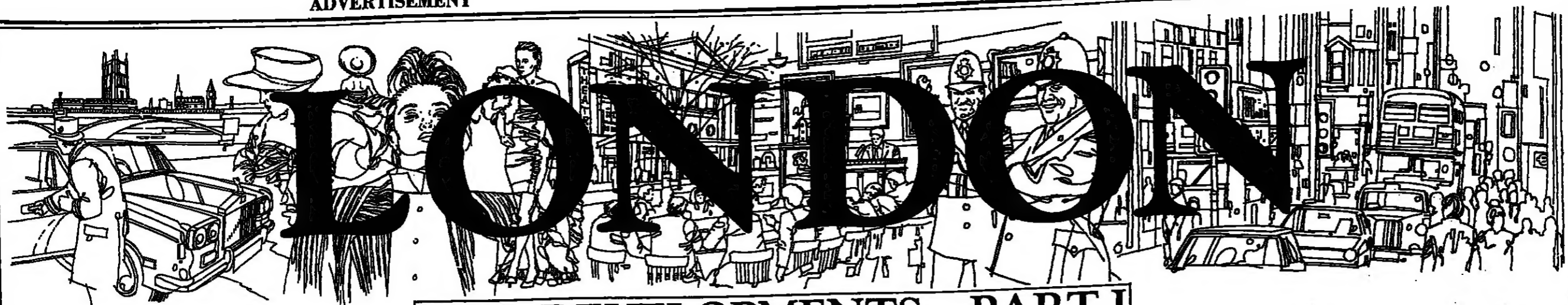
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NEW DEVELOPMENTS - PART I

A Buyers' Market for Super-Homes

It created a stir on the London property market when the auction of one of the last unmodernised houses on the Crown's Regent Park Estate was announced. Enquiries from buyers both domestic and overseas flooded in... then came Black Monday, the Crash of '87. Number 54 Cumberland Terrace failed to sell. Agents Knight Frank & Rutley had to buy it in at £800,000 without reaching its reserve. It signalled the end of three golden years when London prime property rose at least 35 per cent a year. The era of "anything goes" in property is gone. But not everything. Something is still selling well, and that is the very best.

Stock Market collapse or no, the leading businessmen, financiers, brokers and bankers who have flooded into the British capital following the deregulation of the City - the so-called Big Bang - still have to be accommodated at an appropriate level, but now they are in a buyers' rather than sellers' market. They are selective. They demand and obtain more for their money. Developers have no option but to respond, and there's a remarkable choice of super-homes now available.

Among the most striking is

Autumn Rise, a development of six newly-built apartments in Oakhill Avenue, Hampstead, within a few minutes' walk of the "village" and its famous heath. The award-winning architects Haugh & August have excelled themselves in designing a sympathetic and elegant building with striking red-brick elevations. Each apartment offers lavish, fully equipped hardwood Poggenpohl kitchens and quality bathrooms with tasteful use of Brazilian mahogany. The large living rooms feature classic marble fire-

places with French doors giving access to either terracing or balconies.

In addition to the sophisticated security, there is a porters' room with monitoring system situated off the opulent marble main entrance foyer. An attractive and impressive landscaped courtyard gives access to the secured integral parking area. A luxurious passenger lift serves all floors.

Three-bed, three-bath apartments start at £410,000; four bedders, at £485,000 (from agents Stickley & Kent), and two were promptly sold off-plan.

Not far away, another Hampstead development, No 15 West Heath Road, is also selling at high-speed, only three of nine apartments now remaining. It is helped by its status as one of the last newly-built luxury blocks in a recently-declared conservation area. A three-bedroom-suite maisonette is priced at £390,000; two others at £500,000 and £590,000 (through Ellis & Co.).

Like Autumn Rise, No 15 has a mass of amenities combined with high specifications reflecting the more competitive market; full independent gas-fired central heating and hot water, high-speed passenger lift, portage,

video security systems, landscaped gardens, balconies/terraces to all apartments, double glazing throughout, polished hardwood floors, secure underground parking with remote controlled garage doors, fully fitted and integrated kitchen system with ceramic tiled flooring and walls, a minimum of two luxurious bathrooms with marble walls and floors.

To beat that, you would have to build your own place. You can do so in the same Hampstead area if you buy the plot just released by Wiggins Property. This Docklands-based group - vertically integrated to cover acquisition, design, construction and marketing of residential, industrial and commercial property - is providing the very rare opportunity for you to acquire a one-off "design-and-build" home on a site within 20 yards of the heath extension.

Still on the Hampstead beat, Westover Hill is a very superior development of five new detached houses, with completion of the first promised by Christmas. Priced at £1.3-£1.7 million, they are being constructed to standards rarely seen in today's market. Each complements its neighbour but is not identical and they all blend with the main Westover Hill estate which is acknowledged to be one of London's finest modern developments.

Ranging in size from 4,000 to 5,000 sq ft, each unit has an indoor swimming pool with underwater lighting and jets. Facilities include changing rooms and a sauna. There is 24-hour security which includes closed-circuit television and electronic gates at the entrance to the development. Garages are electronically controlled. Air conditioning is provided to all principle rooms.

The accommodation includes a magnificent drawing room incorporating floor-to-roof conservatory, dining room, study, breakfast room, master and guest bedroom suites, two additional suites of bedroom and bathroom, a further bedroom and bathroom. The staff quarters have a separate entrance and could be easily turned into a gymnasium or games room if required.

Agents Savills and Stickley & Kent report strong interest from purchasers seeking

This is the first section of a two part special advertising section on London Property. Part II will appear on November 27, 1987.

substantial accommodation within easy reach of Central London and the City.

To cater for an international market, the developers of Beverley House, in Park Road, Regent's Park, called in US-based architects CRS, one of the world's biggest professional practices. Their design - reinforced by a matchless view over the park itself - obviously worked: a cosmopolitan clientele snapped up 38 of the 50 flats in the first phase when it was just a hole in the ground. Now Hampton & Sons are marketing the final phase of 16 apartments and the signs are that they are going at similar high-speed.

What remains are a few apartments at £330,000 to £750,000, with parking spaces for an additional £10,000 - cheap compared with the £30,000 recently paid for a small parking space in Hampstead. They are substantial units, but overshadowed by two prairie-sized

penthouses, ranked modestly by the agents as "among the most exclusive residential properties in the world". Each occupies two floors and totals approximately 6,000 sq ft of living space with stunning views across the park and beyond. The principal reception rooms are 55 ft wide with windows and balconies on all three sides. In addition, there are roof-top day-rooms and terraces. Two car parking spaces are included in the asking price of £1,750,000 for each apartment.

Hampton's director Linda Beane says the international styling, spacious interiors, high-level security, park views and easy access to the West End will secure these figures without difficulty.

In fact, easy access to the West End is a key factor in prime London property sales, and is the chief feature that attracted CCC developers to Inverness Terrace, a listed 19th century building in

Bayswater adjacent to Hyde Park. No's 25-33 have now been refurbished to 21st century standards, providing through agents Gillands & Co 39 apartments at from £185,000 for one bedroom to £415,000 for four bedrooms - and totalling close to £10 million.

Originally five white stucco-fronted houses dating from the 1860's, the development provides a typical example of Victorian architecture with fine friezes and intricate decorative plaster work. More significantly for the businessman is its location, 500 yards from the Underground line to the City, five minutes from Paddington Station, ten minutes from Knightsbridge, Marble Arch and Kensington High Street.

But a location which ranks considerably higher in London is Grosvenor Square, and adjacent to it is a refurbishment that represents the pinnacle of Mayfair living. No 46 Upper Grosvenor Street, facing the American Embassy, is a terrace house of classical elegance that has been refurbished by two of London's leading designers to create 22 spectacular

apartments from Prudential Property Services.

The three-bedder maisonettes providing 2,000 sq ft of accommodation have proved particularly popular. These, prominently situated at the front of the main building, are graciously arranged over two floors and provide a large and elegant reception room with a separate adjoining dining-room, ideal for entertaining.

The Penthouse Suite is currently arranged as two separate units on the seventh and eighth floors, amounting to the entire top two floors of the building. The accommodation provides approximately 4,000 sq ft and is ideally suited to be rearranged as a super penthouse maisonette. The proposed scheme would provide a double reception room leading out onto a 45 ft south-facing roof terrace together with a study off it, separate dining room, kitchen with breakfast area, laundry room, cloakroom and large hall area. On the upper floor there would be four bedrooms with ensuite bathrooms, a further bedroom and separate bathroom.

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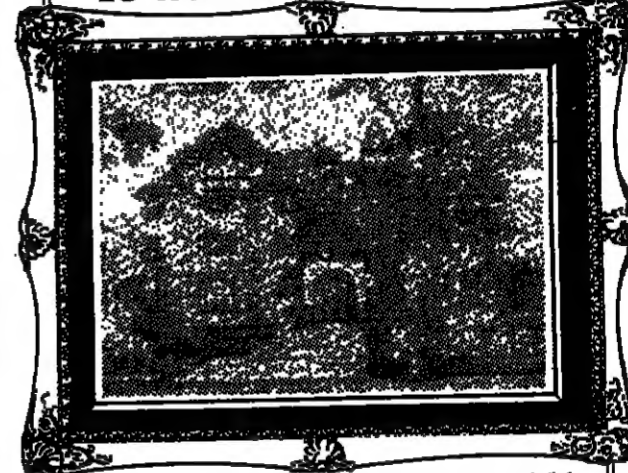
Apart from the individual small office suites, there is a central reception area and conference room facilities which include the original turn-of-the-century listed panelled boardroom with traditional furniture and fittings. These rooms can be hired by either resident or outside companies who do not have their own in-house facilities or require a degree of privacy or security.

Licensing has already commenced at this building and demand has been encouraging. The offices, complete with all the

amenities, are offered on a minimum three-month licence agreement and are available for immediate occupation with all back-up services together with 24-hour access closed circuit TV and entry security systems.

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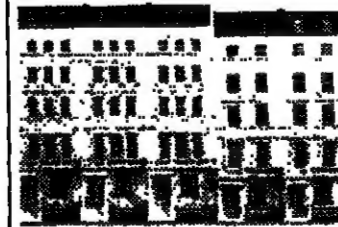
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TRAVEL

- Vienna's 'Bermuda Triangle'
- Skiing Hotels in Switzerland
- 3 Bistros in Paris

International Herald Tribune

TRAVELER'S CHOICE

Beaujolais Nouveau: Bananas

Thursday the Beaujolais Nouveau arrived in bars and restaurants in Paris, London, Tokyo, New York and other great imbibing centers of the world. Its appearance was an excuse for a predictable sort of vicious poetic license: "It is graceful and timid and shows a lot of promise," said Jean-Pierre Benoit, a Beaujolais producer from Fleurie, who was among a busload of winegrowers who came to Paris to sip the wine at the official uncorking. It is the first wine of the season, meant to be consumed in the few months after it is launched on the third Thursday of November. It accounts for about 55 percent of the Beaujolais crop this year, against 6 percent 20 years ago. Nouveau wines are expected to put \$68 million in the pockets of Beaujolais wine growers and dealers in 1987. Once upon a time — when even great French wines were cheap — Beaujolais wasn't considered worthy of a glass container. It was hauled off in barrels to Paris and Lyon, about 30 miles away, where it was drunk like juice by working men. It was, in fact, called "un vin de cochon," or a coachman's wine, because of the class of its consumers. When prices rose for other wines, Beaujolais wine dealers realized they had an inexpensive product that appealed to untutored palates. The Beaujolais stunts this year as usual included a rush to a Paris airport, whence more than 500,000 bottles were flown around the world by Air France. About half were New York-bound and a quarter headed for Japan. The United States will receive about 10 percent of the 60 million bottles of Beaujolais exported. Other big markets include Britain, West Germany, Switzerland and Belgium. Passengers traveling overnight were among the first to taste the new wine, described by a Beaujolais spokesman as "incomparable. It smells like small red fruit, like strawberries, raspberries, even bananas." A chateau son goat, as they say.

Dublin's 1000th Anniversary

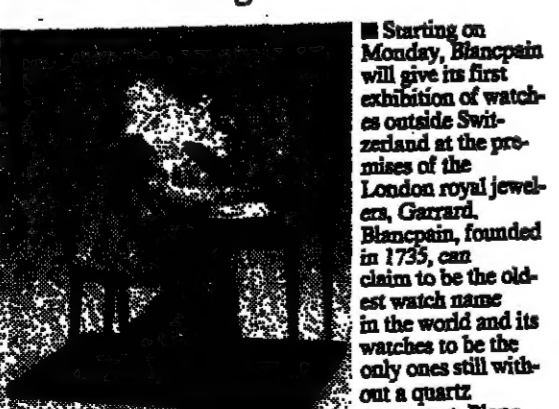


In the year 988 a Celtic king named Mael Sechnaill II took over "Dyflin," a Norse settlement on the River Liffey in Ireland. That event is considered to be the founding of Dublin, and a series of concerts, art shows, parades and parties are planned next year to celebrate its 1,000th anniversary. Today's city is distinguished by its elegant 18th-century Georgian architecture and its 20th-century destruction of same. Not to mention its pubs (see photo below). Festivities begin on Dec. 31, with a concert in Dublin's National Concert Hall followed by traditional bell ringing and street parties. One cluster of events will come on St. Patrick's Day, March 17, and another on Bloomsday, June 16. The official birthday will be marked on July 10 by a re-enactment of an 18th-century Lord Mayor's parade and a party in Phoenix Park.

Onion Day in Bern

One of the most popular and colorful of Switzerland's markets is Bern's Zibelemarkt, or onion market, to be held on Monday. According to tradition this annual market right was granted to the people of surrounding districts in gratitude for the help they gave after the great fire of Bern in 1405. The market is held in front of the Federal Building and on Baselpark, and pride of place is given to the onions, which are piled up in huge heaps and pleated into garlands and strings. All day long in a festive atmosphere people stock up on onions for the winter, and in the evening there is much jollification, including a confetti battle in one of the main streets. Perhaps those who aren't buying onions are searching for a spouse. Restaurants will offer special onion dishes and hot onion pies will be sold in the streets.

Watch Watching in London



Starting on Monday, Blancpain will give its first exhibition of watches outside Switzerland at the premises of the London royal jeweler, Garrard. Blancpain, founded in 1735, can claim to be the oldest watch name in the world and its watches to be the only ones still without a quartz movement. Blancpain does not have a "collection" of designs, but only one basic model for men and another for women. The Garrard exhibition will include a mock-up of the Blancpain atelier workshop at Le Brassus. The various painstaking stages of watchmaking will be demonstrated. For the first time in England the Blancpain perpetual sonnet watch, which costs about \$60,000 (about \$106,000), will be on show and for sale. The watch takes 12,000 hours to make by hand and, when desired, chimes the hour, quarter hour and minute, and shows the day and month, and phases of the moon until the year 2100. There will also be a collection of automata and musical boxes to look at, including this Pierrot, who writes, closes his eyes and falls asleep, then relights his lamp and starts to write again. The exhibition could be a welcome refuge from the general stampede of London Christmas shopping. At 112 Regent Street, for one week only.

Hyatt Award Scheme for Guests

Hyatt hotels and resorts have a new awards certificate program under which customers can earn discounts on rooms, plus free food and beverages. The program, known as Hyatt NightCups, is in effect until Jan. 31, 1988. Different awards certificates, redeemable on future Hyatt stays through Sept. 15, 1988, will be placed on each guest's pillow. The certificates include a 50-percent discount off the second night of a two-night weekend stay; a \$50 room credit at Hyatt's newest hotels; free membership in the Gold Passport frequent traveler program and free meals for children under 12 when accompanied by an adult. "Hyatt NightCups will award something of real value to guests every night that they stay in our hotels," said Adam Aron, senior vice president of marketing. The Hyatt chain includes 131 hotels and resorts worldwide.

Finding the Right Caribbean Island

by Joseph B. Treaster

THERE are more than three dozen Caribbean islands, stretching across a body of water one-third the size of the United States. The choice presents a perennial problem: Which island suits you best?

Some of the islands have hardly any beach and some are as dry and barren as deserts. Some offer gambling casinos and discos that hum all night. Others seem endlessly tranquil, where the big event of the day may be the late afternoon return of the fishing boats.

I've been traveling the Caribbean for the last three years, and friends of ten ask me to suggest the perfect island. There is no easy answer because how people react to the islands is as much a function of their personalities as anything else. But I can tell you about some of the things I've discovered in hope of helping you make a choice.

Generally, the bigger and more developed the islands, the easier they are to reach. From New York, if getting there fast is your aim, you will probably want to consider one of the daily nonstop flights to the larger islands in the Bahamas (actually in the Atlantic rather than the Caribbean), as well as to Puerto Rico, St. Martin, St. Croix and St. Thomas, the Dominican Republic and Jamaica. You can be on the beach in a few hours. All these islands have lots of hotel rooms, and the chance of finding a room for the weekend on the spur of the moment is much greater than on some of the smaller, more remote islands.

On the other hand, the islands that require connecting flights — like the French island of St. Barthélemy, the scuba mecca of Bonaire and the former British islands of Nevis, Dominica and Grenada — get fewer tourists and provide more sense of discovery.

THE variety of accommodations on the larger islands extends from small, relatively inexpensive inns to giant, high-rise chain hotels and a number of elegant and expensive resorts as well. You don't have to go to a remote island to have an exotic experience.

For my money, Jamaica is one of the most appealing islands. Its north coast is lined with long stretches of sandy beaches and rocky cliffs. The blue mountains rise up a short distance inland and most of the island is covered in thick tropical foliage. Montego Bay and Ocho Rios have several hotels that offer package deals; there are also less expensive family-run inns and such elegant places as the Jamaica Inn in Ocho Rios, the 191-room Half Moon Club in Montego Bay and the 26-suite Trident Villas and Hotel in Port Antonio.

On the north coast are several waterfalls, a number of art galleries, the hilltop home of Noel Coward (now a museum), and rafting excursions along the Rio Grande River. Nightclubs, bars and restaurants offer reggae and calypso.

I don't think of Jamaica as a heavenly place for food; indeed, first-rate cooking is rare in the Caribbean. But I can never resist the spicy barbecued chicken and pork that Jamaicans call jerk chicken and jerk pork. They sell it along the roadsides by the fraction of a pound, often wrapped in a piece of brown paper.

The best reputation for food in the region is held by the French islands, Guadeloupe, St. Barts, Martinique and the French side of St. Martin. There are, however, some exceptionally good restaurants elsewhere, like the Green Parrot Inn overlooking the ocean in St. Lucia, Vesuvio in Santo Domingo in the Dominican Republic and Jose's in the St. Lawrence area of Barbados. One of the most unusual restaurants in the Caribbean is Mama's in St. George's, Grenada, where arrachido and possum are regular fare. Hot sauces concocted from red peppers and other spices are as much a staple of Grenada and most other islands as rum. Many island cooks bottle hot sauces at home, slap on rudimentary labels and hawk them to tourists.

MANY of the islands have casinos, with the biggest and fanciest ones in Puerto Rico, the Bahamas and the Dutch side of St. Martin. Some of the gaming rooms rival Atlantic City in splendor, and several have show-glit revues and other entertainment. A few also have big-time gambling, and there are casinos in the Dominican Republic, St. Kitts, Antigua, Haiti, Curaçao, Bonaire and the French Islands.

Tennis and sailing are available on most islands and there are also some challenging golf courses. Golfers rank the top 18-hole courses designed by Pete Dye at the Casa de Campo resort in the Dominican Republic as among the best and give high praise to four adjoining courses in Puerto Rico at the Dorado Beach Golf



Chatter Hagley Jr.

Some of the islands are known for their night life and shopping, others seem endlessly tranquil. Above, one of the 14 waterfalls in the Carriacou Gardens outside Ocho Rios, Jamaica, and right, a street in Philipsburg on St. Martin.



Club and the Cerromar Beach Golf Club. Jamaica has eight courses, including three outstanding ones in the Montego Bay area. Freeport on Grand Bahama Island, in the Bahamas, has three, as does New Providence, which includes the Bahamian capital, Nassau. There is also golfing on St. Thomas, St. Croix, St. Kitts, Grand Cayman Island and Barbados, where there are three courses.

The Dominican Republic's Casa de Campo, which sprawls over 7,000 acres of landscaped grounds, has 150 polo ponies and dozens of quarter horses, two polo fields where visitors can take lessons or compete or both, and miles of riding trails through fields of sugar cane and tropical wilderness. Chukka Cove, near Ocho Rios, also has polo ponies and a polo field and horses for riding along coastal trails and into the

mountains. There is also horseback riding in St. Kitts. Jamaica and other mountainous islands, like Grenada, Montserrat and Dominica, have hiking trails winding through their rain forests. Along the trails in St. Kitts and Nevis hikers often see wild monkeys.

Not so long ago, Puerto Rico seemed to be low on many vacationers' list of preferences. But it seems to be glowing with vitality again. Many hotels have been refurbished, there are lots of good restaurants and — along with Santo Domingo — San Juan, the capital, has some of the best examples of Spanish colonial architecture in the Caribbean and some of the best museums.

Puerto Rico is also one of the islands where you can practice your Spanish. But visitors uninterested in foreign languages won't have any trouble. An enormous number of Puerto Ricans are bilingual. English is a requirement in their schools. French is the main language on Guadeloupe and Martinique, which are departments of France, and French and a French-derived Creole are also the main languages of Haiti.

For shopping in the Caribbean there are well-to-do duty-free shops in the big cruise-ship ports of Nassau, St. Croix and St. Thomas. Every island offers straw baskets and hats and many of them have dressmakers who sell their own designs in boutiques in the tourist areas.

On the beaches in Barbados women sell batik dresses and bathing suit cover-ups and young men sell beads and coral jewelry. In Grenada, beach traders

Continued on page 9

Acapulco Shops — If You Can Leave Beaches

by Marvinne Howe

ACAPULCO, Mexico — On these rare powder-gray days, or if the coniferous sky becomes too monotonous, many Acapulco vacationers turn away from pools and chaises to their second favorite pastime: shopping. An impressive part of the population of the tropical resort, estimated at nearly one million, is involved in the production, promotion or sale of handicrafts. Acapulco, with its natural bay, has always been an important trading center and was known for an annual spring fair as early as the 16th century.

Perhaps the most pleasant place to look for gifts is the Mercado de Artesanías, also called El Paranal and the Flea Market (according to some signs in English, although it is not a flea market). The Mercado de Artesanías is a block of tile-roofed shops and patios shaded by tamarind, coconut and mango, five blocks from the Zócalo, or main square. It is easy to while away the entire day in the market, which has 500 shops with handicrafts from all over Mexico. Silver jewelry from Taxco, black pottery from Oaxaca, embroidered cotton dresses and onyx pieces from Puebla, papier-mâché animals from Guadalajara, beaten copper plates from Villa Escalante and painted wood and ceramic objects from elsewhere in the state of Guerrero.

In front of many of the stores, artisans can be seen fashioning their wares. Marcelina Salgado, who has been selling straw baskets since the market opened 10 years ago, usually sits in the shade, chatting with friends and working on a straw hat or basket. A large decorated basket costs about \$3. Ismael Insuastro, 17, paints wildly colored scenes of country life on ceramic plates, wooden fish and other objects. He says he learned to paint by watching his

sister, who paints animals at home. A hand-painted wood or clay fish costs about \$10.

Lauro Torres Avila makes large models of Spanish galleons and plans to export them to the United States, where he has several orders. Torres also sells items from other parts of the country. From Puebla, for example, he offers pairs of onyx candleholders for \$15 or heavy onyx ashtrays for \$5, from the state of Michoacán, a tile tray for \$8 or a set of six liqueur cups made of pine for \$3.50.

"Four years ago, the market was dead because agents would ask a high commission to bring us tourist groups, and so we had to raise our prices accordingly," said Torres, who is leader of the market guild. Then, he explained, the guild got its own agents who go to the main hotels and tell tourists about the market and even accompany them if they wish.

Some merchants in the market still ask inflated prices, clearly expecting clients to bargain. Others, like Blanca Apar, ask what they call "a just price," because they don't have to figure in commission anymore. She specializes in silver rings with local semi-precious stones. A large jade ring with a vine-like silver setting costs \$10, a flax-colored topaz around \$11.

She also displays handmade objects such as fish-scale earrings that look like pink, purple or white flowers (50 cents a pair). A large mother-of-pearl seashell, selling for \$1.50, can serve as an ashtray — or a cure for scars, if left with a few drops of lemon juice overnight, according to the seller.

The market is open from about 9 A.M. to 8 P.M., without closing over the lunch and siesta period, as many shops do. Visitors can pause for a soft drink or beer in a large central pavilion, or even a simple lunch upstairs for about \$2 a person. The busiest time of day is between 5 and 6 P.M. when



Clothing stalls in Acapulco's Central Market.

American visitors usually come in small groups.

A regular taxi to the market from the center of Acapulco is less than \$2, according to the rates posted at Condesa del Mar Hotel. A blue and white Volkswagen Beetle taxi charges about half that fare, but the fee must be agreed on before the journey. Craft connoisseurs seeking something special should go to the Casa de Artesanías Xilita — the Guerrero State Handicraft House, opened last year in Papagayo Park. It is best to take a taxi along the bayfront boulevard, Costera Miguel Alemán, to the Gi-

gante supermarket, and enter through the back gate of the vast amusement park and zoo.

Once inside the park, visitors must take care because there are several handicraft stores clustered together, but only one, Xilita, has a full display of the work of Guerrero's artisans, at government-controlled prices. The shop is open daily from 10 A.M. to 7 P.M. At the handicraft house, there are, for instance, bark paintings with colorful scenes, from the village of Xilita, which gave the shop its name, that sell for about \$5.

Then, there are the hand-painted boxes and chests made of a fine aromatic wood called linaloe, from the mountain village of Oliná in the eastern part of Guerrero. A small chest and stand, brightly decorated with fish and birds, sells for about \$40. A large chest with a floral pattern is priced at less than \$125. A lacquer painting with an intricate Persian-style design sells for about \$20, and a skillfully painted box runs about \$5.

The artisans of Oliná use traditional techniques and designs and natural colors.

Continued on page 8

NYSE Most Actives					
Vol.	High	Low	Last	Ch.	
IBM	175.00	174.00	174.00	-1.00	
AT&T	155.00	154.00	154.00	-1.00	
Amgen	145.00	144.00	144.00	-1.00	
Amgen	145.00	144.00	144.00	-1.00	
Amgen	145.00	144.00	144.00	-1.00	
Amgen	145.00	144.00	144.00	-1.00	
Amgen	145.00	144.00	144.00	-1.00	
Amgen	145.00	144.00	144.00	-1.00	
Amgen	145.00	144.00	144.00	-1.00	
Amgen	145.00	144.00	144.00	-1.00	

Market Sales	
NYSE 4 a.m. volume	157,240,000
NYSE 4 p.m. volume	157,240,000
NYSE 4 a.m. volume	157,240,000
NYSE 4 p.m. volume	157,240,000
NYSE 4 a.m. volume	157,240,000
NYSE 4 p.m. volume	157,240,000
NYSE 4 a.m. volume	157,240,000
NYSE 4 p.m. volume	157,240,000
NYSE 4 a.m. volume	157,240,000
NYSE 4 p.m. volume	157,240,000

NYSE Index				
High	Low	Close	Ch.	
Composite	125.25	125.25	-1.25	
Industrial	115.25	115.25	-1.25	
Utilities	115.25	115.25	-1.25	
Finance	115.25	115.25	-1.25	

Thursdays
NYSE
Closing
Via The Associated Press

AMEX Diary		
Class	Prev.	
Advanced	24.00	
Declined	24.00	
Unchanged	24.00	
Total Issues	24.00	

NASDAQ Index			
Close	Ch.	Week	Year
Composite	115.25	115.25	115.25
Industrial	115.25	115.25	115.25
Utilities	115.25	115.25	115.25
Finance	115.25	115.25	115.25

AMEX Most Actives				
Vol.	High	Low	Last	Ch.
Amgen	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	-1.00

Dow Jones Bond Averages		
Class	Ch.	
Bonds	125.25	
Utilities	125.25	
Industrials	125.25	

NYSE Diary		
Class	Prev.	
Advanced	24.00	
Declined	24.00	
Unchanged	24.00	
Total Issues	24.00	

Odd-Lot Trading in N.Y.				
Buy	Sell	Net	Ch.	
Nov. 12	24.00	24.00	-1.25	
Nov. 13	24.00	24.00	-1.25	
Nov. 14	24.00	24.00	-1.25	

Dow Jones Averages				
Open	High	Low	Last	Ch.
Indus.	125.25	125.25	125.25	-1.25
Util.	125.25	125.25	125.25	-1.25
Comp.	125.25	125.25	125.25	-1.25

Standard & Poor's Index			
High	Low	Close	Ch.
Composite	115.25	115.25	-1.25
Industrial	115.25	115.25	-1.25
Utilities	115.25	115.25	-1.25

NASDAQ Diary		
Class	Prev.	
Advanced	24.00	
Declined	24.00	
Unchanged	24.00	
Total Issues	24.00	

AMEX Stock Index				
High	Low	Close	Ch.	
Composite	115.25	115.25	-1.25	
Industrial	115.25	115.25	-1.25	
Utilities	115.25	115.25	-1.25	

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Dow Lower on Budget Concerns

United Press International
NEW YORK — Prices on the New York Stock Exchange tumbled Thursday in moderate trading as Wall Street suffered through another day without an agreement on cutting the U.S. budget deficit.

Dealers said the mood was worsened by indications that the monthlong effort to reduce the budget deficit was in trouble.

The Dow Jones industrial average, which rose 16.91 Wednesday, fell 43.77 to close at 1,895.39.

Declining issues trounced advances by more than a 3-1 ratio.

Broad-market indexes also declined. The NYSE composite index dropped 2.86 to 134.72. Standard & Poor's 500-stock index fell 5.50 to 240.05. The price of an average share lost 64 cents.

Volume totaled 157.14 million shares, down slightly from 158.27 million traded Wednesday.

There is great disappointment over the absence of a budget-deficit compromise," said Alfred Goldman of A.G. Edwards & Sons in St. Louis. "And even when it comes, there is a feeling that it will be made up of a lot of mirrors and blue smoke."

"We have had some pretty steady, unemotional selling," Mr. Goldman said. He added, however, that the market appeared to find support between 1,885 and 1,900 on the Dow.

Analysts said the market was still focusing on the apparent inability of budget negotiators in Washington to nail down an agreement and signs that the eventual agreement would fail to contain anything dramatic.

"What will emerge will not be heroic, neither will it be painless," Jim Wright, a Texas Democrat and speaker of the House, said Thursday. When the package would finally emerge became clouded as the day wore on.

Senator Bob Packwood, an Oregon Republican, said that Senate Republicans signaled "overwhelming" opposition to the package under discussion because "they think some of the savings are phony."

Negotiators have indicated that the plan calls for about \$30 billion in deficit reduction in fiscal 1988, which began Oct. 1, and about \$45 billion in fiscal 1989. Under the revised Gramm-Rudman-Hollings budget law, the plan must be ready by Friday to avoid \$23 billion in automatic spending cuts.

"If they beat the deadline and say here it is, it might be worth an advance of 50 points in the Dow," Mr. Goldman said. "If they fail, the eventual agreement will be received negatively and with a ho-hum."

Hildegard Zagorski of Prudential-Rache Securities Inc. said, "There were weak markets overseas and a weaker dollar, and that overshadowed the lower opening we had." The Dow dropped 17 points shortly after the opening.

"The budget battle may continue for a while, but the encouraging thing is that the market is not falling apart, she said. "Given that the expectations were not too high, the market is therefore not too disappointed."

Mr. Goldman said one of the things holding the market together is that the "sentiment does not reflect a multiple of economic problems."

12 Month	High	Low	Stock	Div.	Yld.	PE	SP	100	High	Low	Close	Ch.
IBM	175.00	174.00	174.00	3.40	19.4	11.1	11.1	11.1	175.00	174.00	174.00	-1.00
Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00

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Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00

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Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
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Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
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Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
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Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00

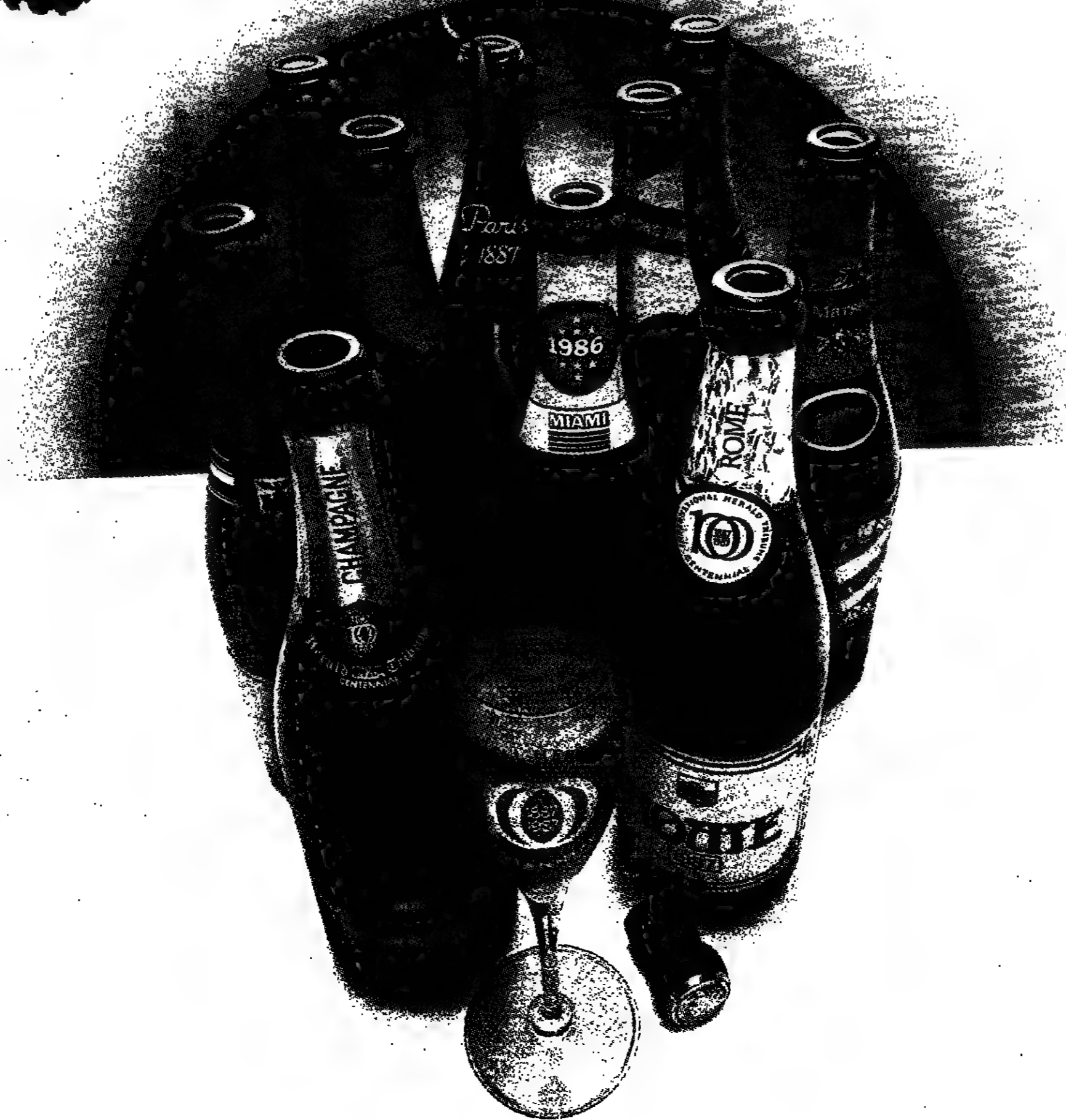
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Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	144.00	144.00	-1.00
Amgen	145.00	144.00	144.00	2.12	14.6	11.1	11.1	11.1	145.00	1		

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2

br. Heinem

CURRENCY MARKETS

Dollar Eases Before Budget Deadline

NEW YORK — The dollar was mostly lower Thursday in nervous trading in New York and Europe after hopes for a long-awaited agreement on cutting the U.S. budget deficit were frustrated again, dealers said.

Statements from Washington successively raised and dashed hopes of an agreement between Reagan administration and congressional budget negotiators.

In New York, the dollar closed at 1.6810 Deutsche marks, down from 1.6835; at 135.35 yen, up marginally from 135.30; at 5.7035 French francs, down from 5.7070, and at 1.3785 Swiss francs, down from 1.3825.

The British pound gained, closing at \$1.7775, compared with \$1.7745.

Some dealers said there was a growing feeling that no agreement would be reached by Friday, when the Gramm-Rudman legislation mandating automatic cuts of \$23 billion will come into force. One added that, without an agreement by then, there would probably be a dollar sell-off.

Earlier in the day, in a speech to the U.S. Chamber of Commerce, President Ronald Reagan urged budget negotiators to develop a long-term plan for reducing the deficit. The market reacted positively to Mr. Reagan's statement and pushed the dollar slightly higher.

Mr. Reagan said that the dollar was in a "strange position" and that he wanted to see it "strengthened."

He said that the dollar was "the most important asset in the world" and that it was "the key to our economic future."

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London Dollar Rates

Currency	Rate
Deutsche mark	1.6810
Swiss franc	1.3785
Japanese yen	135.35
French franc	5.7035

Source: Reuters

Dealers noted that despite a bumpy ride in late trading, the dollar had remained for most of the day inside relatively narrow ranges.

"Until the market sees real figures, it will stay in limbo," one trader said. But he did not believe the absence of a report on Friday would necessarily trigger a sell-off, particularly if the deadline for Gramm-Rudman is delayed.

Senators Phil Gramm of Texas, Warren B. Rudman of New Hampshire and Ernest F. Hollings of South Carolina, the principal sponsors of the law, said they opposed any delay, however, in the Nov. 20 deadline.

The dollar retreated after Senator Bob Packwood, an Oregon Republican, ruled out a budget agreement on Thursday.

"The market is exhibiting an incredible amount of patience," said Bob Hatcher of Barclays Bank. "I just don't know how much longer this patience can persist."

The dollar closed in London at 1.6810 DM, down from 1.6850 DM at Wednesday's close, and at

135.20 yen, almost unchanged from 135.25.

The pound also firmed against the dollar, closing at \$1.7790, compared with \$1.7710.

Sterling was sidelined, firming on the back of the weak dollar to close at 75.4 on its trade-weighted index, down slightly from 75.5 at the opening but up from 75.2 Wednesday.

It hardly reacted to better-than-expected British bank lending figures for October, which showed a \$2.9 billion increase against a median forecast of \$3.5 billion.

In earlier European trading, the dollar was fixed in Frankfurt at 1.6791, down from 1.6792 on Tuesday. The market was closed Wednesday for a holiday.

It was fixed in Paris at 5.700 French francs, down from 5.701, and closed in Zurich at 1.3755 Swiss francs, down from 1.3915.

M-1 Falls \$3.7 Billion

The M-1, the narrowest measure of the U.S. money supply, fell \$3.7 billion to a seasonally adjusted \$759.1 billion in the week ended Nov. 9, the Federal Reserve reported Thursday.

The previous week's M-1 level was revised to \$762.8 billion from \$763.0 billion, while the four-week moving average rose to \$762.5 billion from \$761.2 billion. M-1 includes cash in circulation and checking accounts and nonbank traveler's checks.

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Hong Kong Says

It Won't Revise Peg to Dollar

By Robert A. Bennett

NEW YORK — The financial markets are bracing for a decline should Congress and the Reagan administration cut the U.S. budget deficit by between \$20 billion and \$23 billion only, as many analysts and economists now think is likely.

Few analysts predicted a fall in the stock market along the lines of the 508-point plunge in the Dow Jones industrial average on Oct. 19. At the same time, no one said that such a plunge was impossible.

"The market would react negatively to a budget cut of only \$20 billion," said Leon G. Cooperman of Goldman, Sachs & Co. He predicted that the dollar could "head south, immediately impacting the bond market, which would immediately impact the stock market."

Foreign exchange dealers said there were rumors that Hong Kong might change the system of pegging the Hong Kong dollar to the U.S. dollar after David Mulford, the assistant U.S. Treasury secretary, said Tuesday that newly industrializing countries in Asia must cut their trade surpluses to ease global economic strains.

In Hong Kong, Joseph Yam, deputy secretary of monetary affairs, said the British colony would not revise the peg, currently at 7.80 Hong Kong dollars to the U.S. currency. South Korea's currency has risen almost 8 percent against the dollar this year; Taiwan's, 16 percent, and Singapore's, 7 percent.

Taiwan has a trade surplus with the United States of more than \$13 billion, according to U.S. figures.

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Markets Brace for Effect Of a Weak Deficit Pact

By Robert A. Bennett

NEW YORK — The financial markets are bracing for a decline should Congress and the Reagan administration cut the U.S. budget deficit by between \$20 billion and \$2

OBSERVER

Breakfast of Wimps

By Russell Baker

NEW YORK — Do Americans really eat breakfast cereal? Grown-up, adult, mature, yuppie Americans, eating breakfast cereal? And even old, worn-out, gray-bearded Americans born too late to be investment bankers, eating breakfast cereal?

Hard to believe, but how else explain the war of the breakfast cereals now enriching the U.S. advertising industry?

One of its biggest battlefields is the old-folks network news slot on television. Ads on this geriatric hour from 6:30 to 7:30 P.M. have historically aimed at people too old to stay tuned for the car chases. Goods being hawked reflected the age of the audience. Headache nosums, arthritis pills, denture sticks, laxative compounds. In sum, the survival needs of the mature population.

Now the hour is owned by breakfast cereal. Either grown-up, adult, mature, yuppie Americans are eating breakfast cereal, or somebody at the Harvard Business School has convinced the latest tycoons that such people can be made to eat this stuff.

Several years ago I briefly housed an Englishman on his first visit to the United States. "Wheaties," he replied, on being asked what he wanted for breakfast. We had none, of course. Our youngest, having reached the age of 9, knew from bitter experience that eating 10 megalitons of Wheaties wouldn't turn him into the next Babe Ruth.

When I knew the Englishman better I asked why he had called for breakfast cereal rather than kippers, eggs, ham, scrapple, bacon, pancakes with maple syrup, French toast, hot rolls with apple butter, blackberry preserves, and peach plum jelly, all of which were ready to serve him.

Well, he said, he had wanted to be a good house guest and somebody had told him Americans ate Wheaties at breakfast. Such was the wimpy picture of us being painted for our great British allies, whether by the Kremlin or the advertising industry is hard to say.

Now it appears that this unflattering picture may finally be correct. If so, it can probably be blamed on the present national preoccupation with the kid.

We are beset hourly with pleas for money to conquer this, that and the other disease. The news feeds us regular disease bulletins: new diseases are being discovered every day; new way of catching old disease reported found in laboratory; science finds that old way of curing new disease creates brand new incurable disease.

The AIDS epidemic has added marginally to all this with a few plays, some books and a lot of news coverage, but its long-term effect may be to establish disease as the ad man's dominant weapon.

For 60 years that honor has belonged to sex, with the ultimate argument for buying everything from cars to hair grease being, "Put me into your sex life."

The AIDS epidemic is dampening the American zest for the zipper sex life. It will be interesting to see how the auto industry copes with the problem of depicting the new machines as just what the doctor ordered.

This — "just what the doctor ordered" — is the heavy stuff being delivered in the bombardment of the breakfast cereal war. Underlying most of it is an effort to exploit the national terror of cancer and heart disease.

Actors with gray in their hair, but not too much, discover in the nick of time that their old careers don't have as much cancer-preventing fiber as they can get from the sponsor's product. (Well, maybe fiber won't give total protection, but who wants to be sticky.)

Actors who want to eat breakfast in peace are badgered by relatives and colleagues. Sometimes these bores hand them with cries that the sponsor's stuff has more fiber than the stuff they're eating. Sometimes the breakfast eater is an old-timer putting away tasty lashings of bacon, eggs, pancakes, kippers and so on, when a dour youth, his mind an eternal gloom pit, interrupts to destroy the old fellow's peace of mind by asking, "Don't you know that eating a delightful breakfast will kill you?"

After which you see the brow-beaten old-timer eating cereal recommended by the kid. Very soon he will contain enough cereal to be as insufferable as the kid.

New York Times Service

Joe Mantegna's Cast of Shady Characters

By Myra Forsberg

New York Times Service

JOE MANTEGNA revels in shady characters: slimy gamblers, cutthroat salesmen, lecherous dentists, mercenary mobsters and Hollywood hustlers. He plays the type of men who snarl, "You say I acted atrociously? Yes I did. I did it for a living." Even his less raffish roles are rarely saintly — a New York actor impersonating an ex-convict, an ambitious attorney who "wants to be senator after he's president."

At the moment, Mantegna can be seen in three guises in movie theaters: as an oleaginous card sharp in David Mamet's "House of Games," a smirky actor in John Hancock's "Weeds," and a bristly prosecutor in Peter Yates's "Suspect."

But the performer — who has earned glowing reviews for all three incarnations — is not taking a vacation just yet. He is in Chicago, having finished Mamet's next film, "Things Change," and he will travel to New York in the spring to appear in Mamet's new play, "Speed the Flow."

It is hardly surprising that the actor's latest projects, in which he portrays still more scoundrels, should bear the Mamet imprimatur. For the last three years, Mamet has exerted an enormous influence — directly and indirectly — on Mantegna's career and the rough characters he plays.

It was in Mamet's Pulitzer Prize-winning drama, "Glengarry Glen Ross," that Mantegna embodied the ruthless antithesis of Willy Loman and won a Tony award. And, according to the actor, it was because of his exposure in that 1984 work about unscrupulous real-estate salesmen that he landed roles in such films as Frank Perry's "Compromising Positions," John Landis's "Three Amigos," Michael Apted's "Critical Condition," and the current "Weeds" and "Suspect."

Mamet says that he had Mantegna "in mind all the time" when he was writing "Glengarry." "House of Games," "Things Change" and "Speed the Flow." Why? "He's a great actor. We Chicagoans want to work with the same people. Mantegna understands my writing and I understand his acting, so I think we speak to each other very succinctly."

In Mantegna's view, their collaboration is "nothing more complex than here are two guys who grew up in Chicago, were born two weeks apart, one guy's a writer, the other guy's an actor."

How does he prepare for a role like Mike in "House of Games," an expert poker player who lures a woman psychiatrist into his lair of deceit?

"Well, it's not like I looked in the mirror and tried out some scowls," he says. "I believe that this type of character doesn't perceive himself in the same way as the audience. So, I played him with the conviction of someone who doesn't think he's evil. This is what he does and once you enter his world, you have to be ready to play by his rules."

And as the actor points out, Mamet's villains are deliciously complex: "In 'House of Games' and 'Glengarry,' to be successful, these men can't be the types who on first glance would excite suspicion. Yet, in reality, these are the ones you should be fearful of. I'm never afraid of the man in a sharkskin suit with a toothpick in his mouth. I'm worried about the guy who's wearing \$2,000 suits and the diamond ring and looks like my Uncle Joe. David's great gift is that he doesn't give you stereotypes, and it would be a real disaster on my part to play it that way."

While he has been closely identified with the playwright since 1984, the Mantegna-Mamet relationship actually goes back nearly 15 years. "I had just joined the Organic Theater Company in Chicago and done 'The Wonderful Ice Cream Suit.' David said that and thought I'd be good for a part in his new play 'Sexual Perseverance' in Chicago. We talked, but it turned out that I had a commitment for the same time slot and couldn't do it."

The next opportunity to inhabit a Mamet character came when the actor did "The Very First Night" of "American Buffalo," based on David's fountain pen. "I read it and I thought, 'This is not a play I don't appear in that play's eventual production. Finally, in 1977, he performed in his

first Mamet drama "before a paying audience" when he was one-half of the Chicago cast of "A Life in the Theater."

A few years later, he appeared in a Mamet one-act play called "The Disappearance of the Jews" in Chicago. "It was during that production when David mentioned, kind of offhandedly as he's done his whole life with me, 'Well you know, Joe, I've got this play that I think you'd be good for. I'll send you a copy.'"

The play was "Glengarry Glen Ross" and Mantegna didn't quite know what to think when he first read it. "There was a lot about it that I didn't understand. I knew

zero about real estate. I had never owned a house. My father had never owned a house. I had lived in apartments all my life.

"You also have to understand that David writes plays like some people write epic poems. There's very little in terms of stage directions or any external material. So you can read pages after pages of dialogue. He'll start off 'they're in a restaurant,' and the next stage direction is 'the end.' So I had to do a little research — find out what these things called leads were."

Mantegna consulted real-estate brokers and even a Fuller Brush saleswoman. "I learned the most

from the Fuller Brush lady — that chick had to peddle brushes every day, making two bucks a brush; she was incredible."

It was a career breakthrough. He started getting Hollywood offers. And it was during the "Glengarry" run that he had another meeting with Mamet. "He said, 'Joe, I don't have any real control over what happens to "Glengarry" as a film, so I can't say that you will ever play that role in the movie. But these two scripts I'm giving you right now, I won't make these two films without you.' And that's all he said. That was three years ago. I did the one movie, 'House of Games,' and now I'm finishing the second, 'Things Change.'"

After playing criminals in those two films, he will next portray a Hollywood producer in "Speed the Flow" at Lincoln Center in New York.

Is this a sleazy Hollywood producer? "That could be a redundant statement," answers Mantegna, laughing.

"It's a day in the life of two Hollywood producers, in the sense that they have this possibility of doing this movie with a big star, yet there's the option of doing something more serious-minded. But it's more than that. The strength of this play is the same strength of 'Glengarry' — peering through the blinds of one playwright's version of a particular kind of lifestyle."

While on screen, Mantegna mouths such Mametian phrases as "it was only business" and "everybody gets something out of every transaction." In real life he is a 40-year-old family man who lives in Los Angeles with his wife of 12 years, Adrienne, and a baby daughter born in June.

And, according to friends and associates, he is one of the nicest guys around — in Mametian terms, someone with "good blood." "He's a man of infinite cheer," says Gregory Mosher, who directed "A Life in the Theater," the Chicago and Broadway productions of "Glengarry," and who also will direct "Speed the Flow." "Just absolutely unpretentious. He's a let's get down and get the job done and have a damn good time sort of guy."

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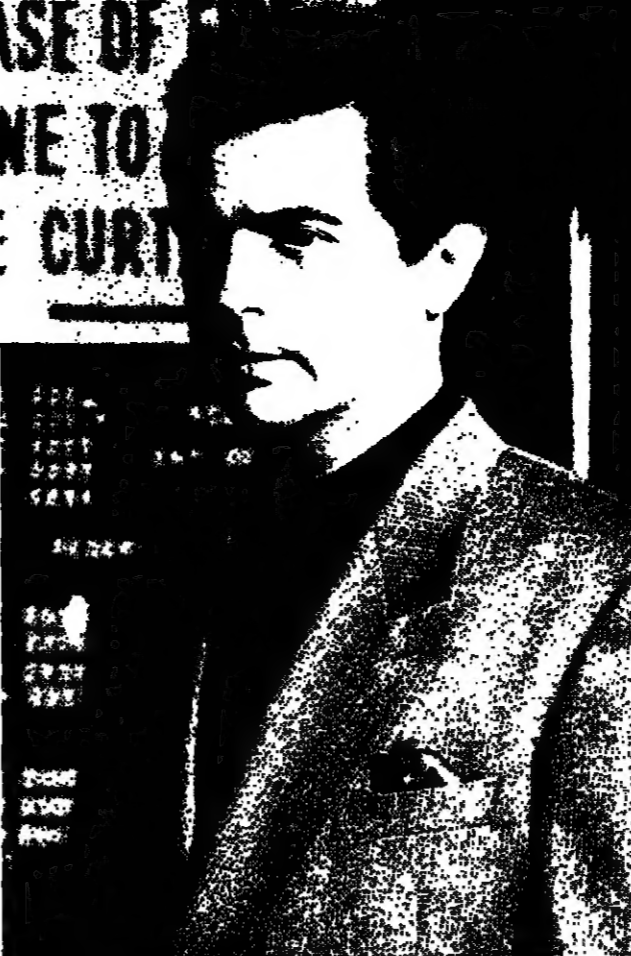
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After playing criminals in those two films, he will next portray a Hollywood producer in "Speed the Flow" at Lincoln Center in New York.

Is this a sleazy Hollywood producer? "That could be a redundant statement," answers Mantegna, laughing.

"It's a day in the life of two Hollywood producers, in the sense that they have this possibility of doing this movie with a big star, yet there's the option of doing something more serious-minded. But it's more than that. The strength of this play is the same strength of 'Glengarry' — peering through the blinds of one playwright's version of a particular kind of lifestyle."



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PEOPLE

Fassbinder Play Canceled After Rotterdam Protest

The Dutch premiere of the Werner Fassbinder play, "Die Stadt und Der Tod" (The City and Death), canceled after Jewish activists walked onto the stage in protest and began a debate with spectators. Torch-bearing demonstrators shouted slogans of Semitism, never again! outside the theater in Rotterdam. Performances of the play in Frankfurt, Kassel and Cologne in West Germany, were canceled after protests in 1985 and 1986. The main character of Fassbinder's play is a rich Jew who was in Frankfurt property speculation in the early 1970s. At the end of the play, he kills a prostitute.

Miles Davis demanded the privacy of a makeshift tunnel from a dressing room to the stage to avoid television cameras when he arrived an hour late for a concert in Milan. He went on to dazzle fans with a program of mostly compositions.

Walter Cronkite says one of his five-decade highlights was playing middle man between President Anwar Sadat of Egypt and Prime Minister Menachem Begin of Israel, helping arrange the historic trip to Jerusalem in 1977. Cronkite, an immigrant from Poland, was in Israel's Army Radio, was in the East media before he came to America, bringing Prime Minister Yitzhak Rabin and King Hussein of Jordan together. "I certainly would not think that that could have Cronkite said."

Kindergarten girls perform traditional dances for Prince Anne shortly after she arrived in Vietnam in Laos Thursday. First member of Britain's royal family to visit the Communist nation. The princess is on an Asian tour for the benefit of the Save the Children fund, of which she is president. Prince Charles has accepted an invitation from the prince of Milan to attend the opening performance of the 1987-88 season at Scala next month. A Buckingham Palace spokesman said Thursday the prince would attend the performance of "Don Giovanni" without his wife, Diana, who is prior engagement.

TODAY'S INTERNATIONAL REAL ESTATE MARKETPLACE

Appears on page 14

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